



مكتبة قطر الوطنية QATAR NATIONAL LIBRARY

لقد تم إنشاء هذا الملف بنسخة بي دي إف بتاريخ ٢٠١٧/١١/١٠ بواسطة مصادر من الإنترنت كجزء من الأرشفة الرقمي لمكتبة قطر الرقمية. يحتوي السجل على الإنترنت على معلومات إضافية وصور عالية الدقة قابلة للتقريب ومخطوطات. بالإمكان مشاهدتها على الرابط التالي:

http://www.qdl.qa/archive/81055/vdc_100000000831.0x0000f3

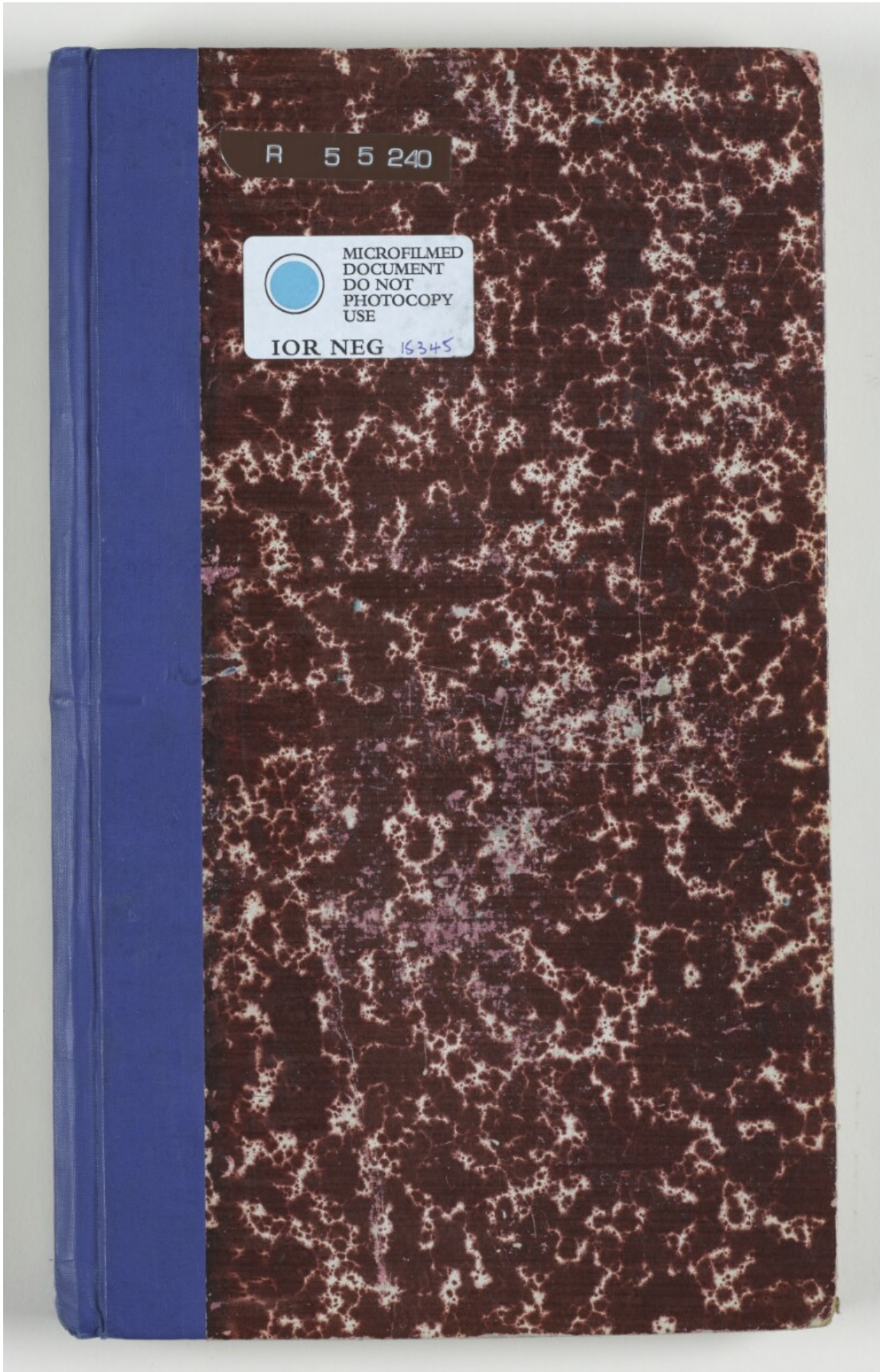
المراجع	IOR/R/15/5/240
العنوان	"ملف ١/ ٥ شركة نفط الكويت"
التاريخ/ التواريخ	١٥ أغسطس ١٩٣٢-٢١ ديسمبر ١٩٣٢ (ميلادي)
لغة الكتابة	الإنجليزية في اللاتينية
الحجم والشكل	ملف واحد (١٩٢ ورقة)
المؤسسة المالكة	المكتبة البريطانية: أوراق خاصة وسجلات من مكتب الهند
حق النشر	<u>الملكية العامة</u>

حول هذا السجل

يحتوي هذا الملف على مراسلات واتفاقيات تعاقدية وشرح لاتفاقيات تعاقدية تتعلق ببدء عمليات التنقيب عن النفط والحفر في الكويت. تتألف المراسلات في أغلبها من رسائل متبادلة بين المقيمة السياسية البريطانية في الخليج العربي، الوكيل السياسي البريطاني في الكويت، ومكتب المستعمرات البريطانية في وايت هول، لندن. تناقش الكثير من الأوراق الجدال الدائر حول دخول النقابة الشرقية والعامة المحدودة في منافسة مع شركة النفط الأنجلو-فارسية للحصول على عقود النفط في الخليج العربي. تتكون الوثائق الواردة باللغة العربية في أغلبها من رسائل من حاكم الكويت.



"ملف ٥ / ١ V شركة نفط الكويت" [أمامي] (٣٩٢/١)





"ملف ٥ / ١ V شركة نفط الكويت" [خلفي] (٣٩٢/٢)





"ملف ٥ / ١ V شركة نفط الكويت" [صلب] (٣/٣٩٢)





"ملف ٥ / ١ V شركة نفط الكويت" [حافة] (٣٩٢/٤)





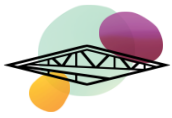
"ملف ٥ / ١ V شركة نفط الكويت" [رأس] (٣٩٢/٥)



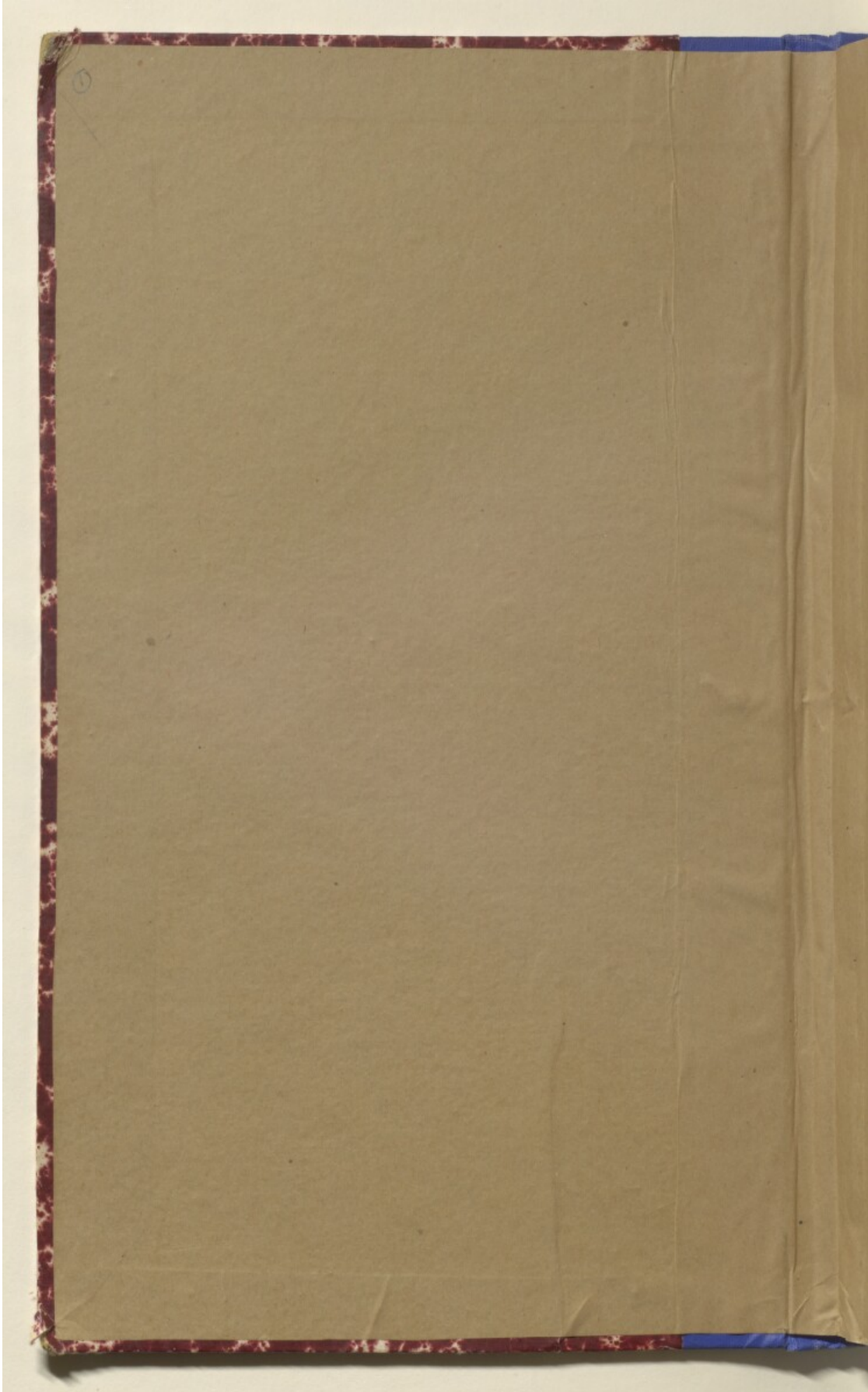


"ملف ٥ / ١ V شركة نفط الكويت" [ذيل] (٣٩٢/٦)



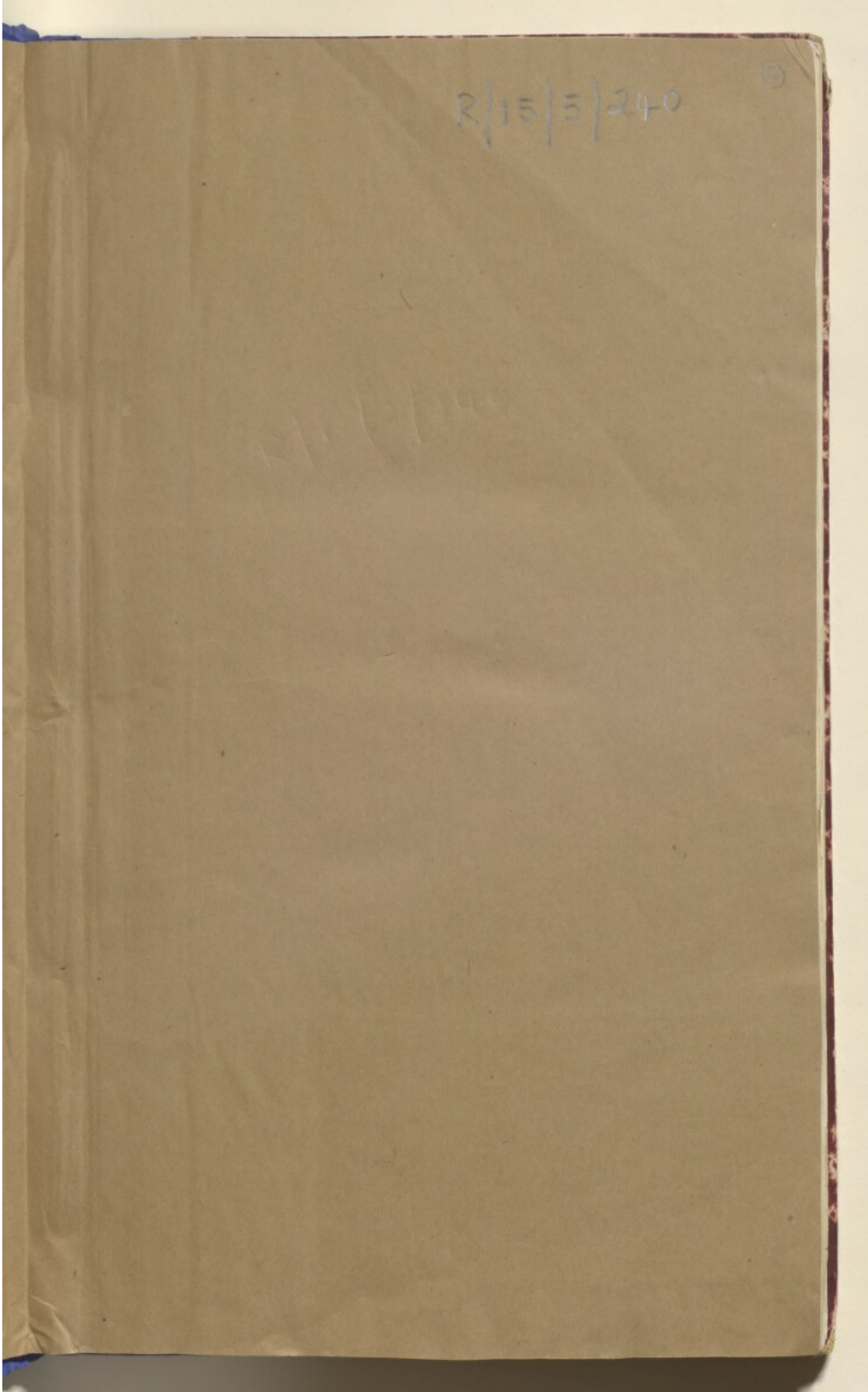


"ملف ٥ / ١ V شركة نفط الكويت" [أمامي-داخلي] (٣٩٢/٧)



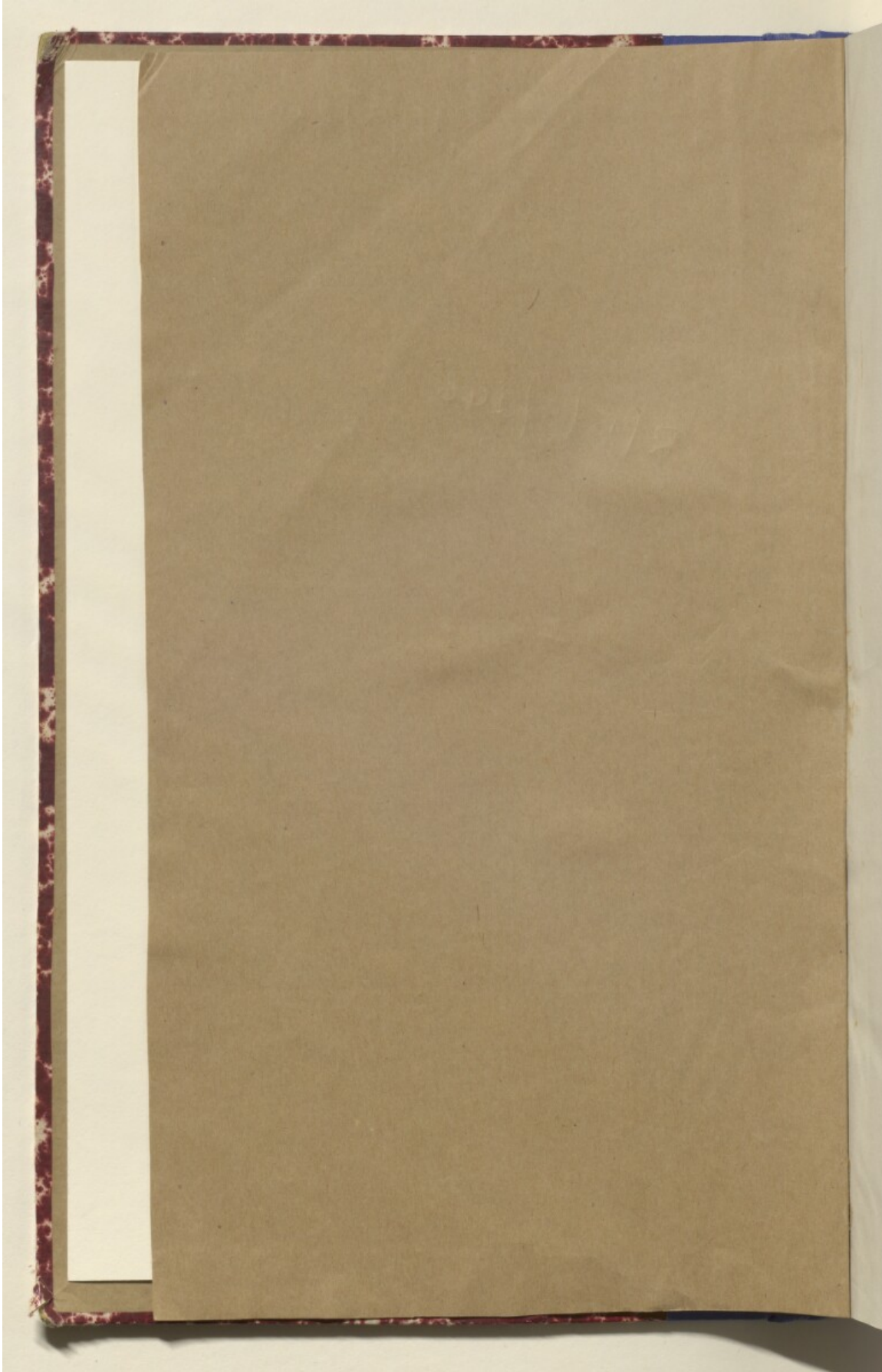


"ملف ٥ / ١ / ٧ شركة نفط الكويت" [٢و] (٣٩٢/٨)



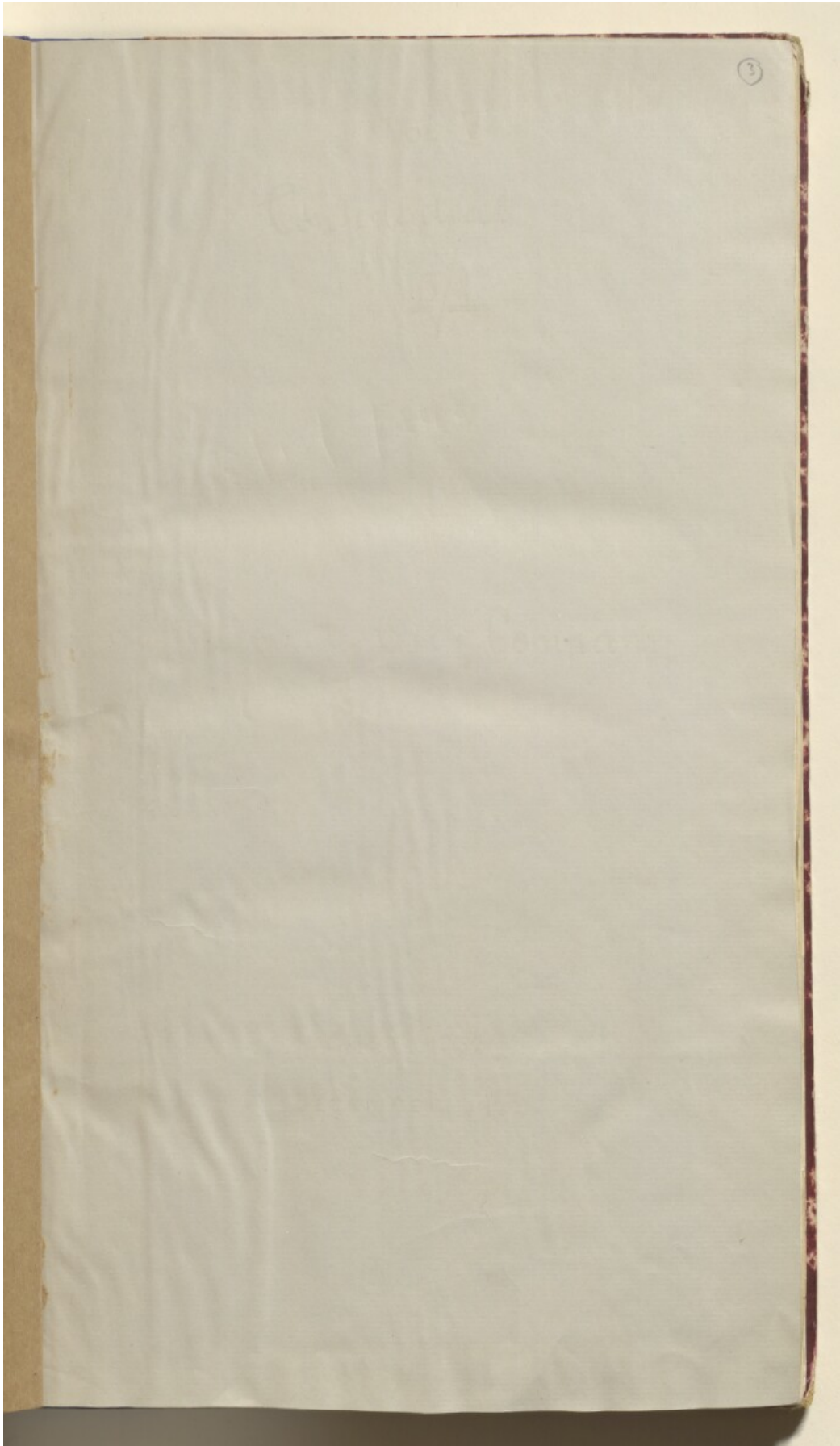


"ملف ٥ / ١٧ شركة نفط الكويت" [٢٢ ظ] (٣٩٢/٩)



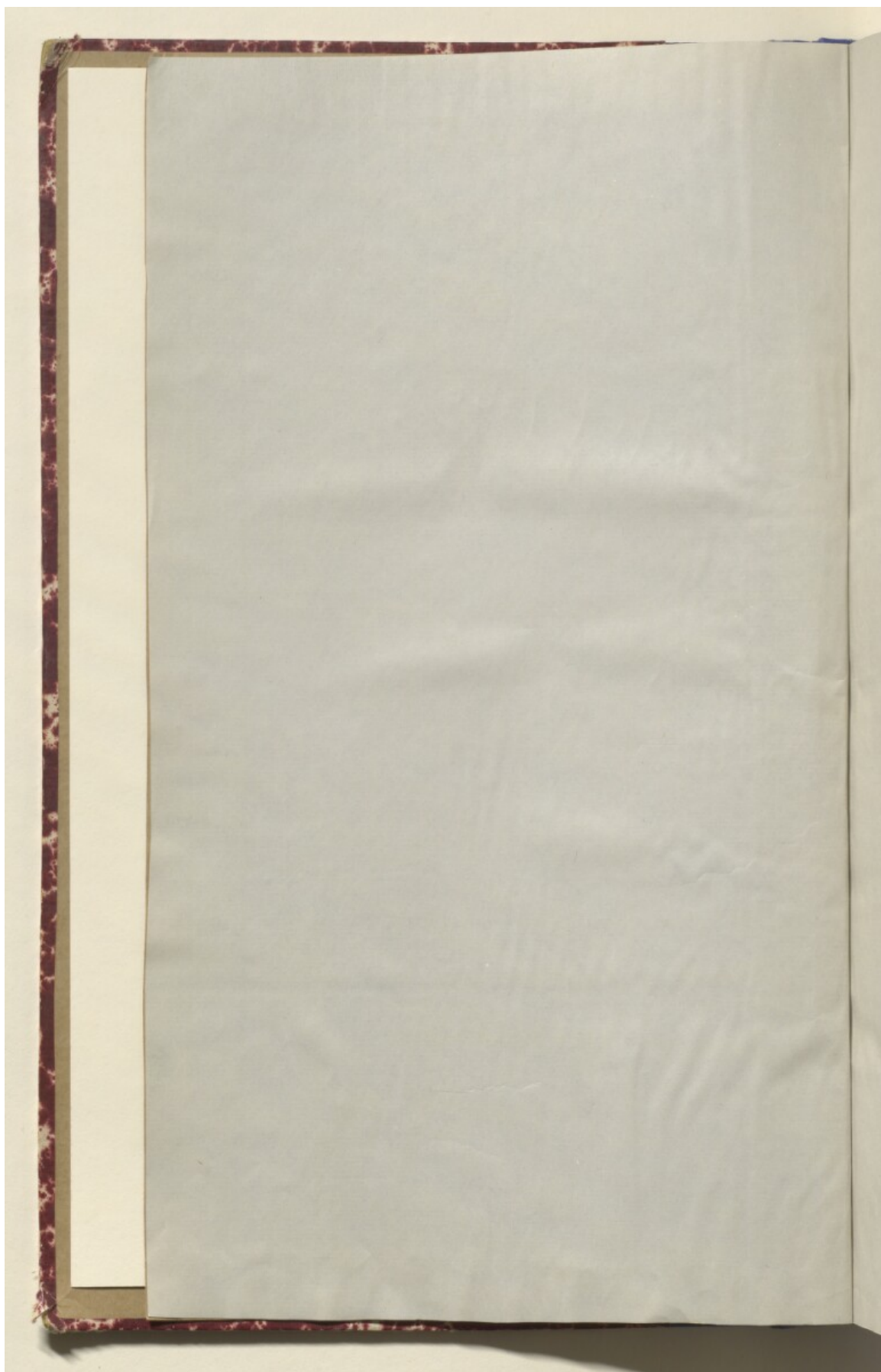


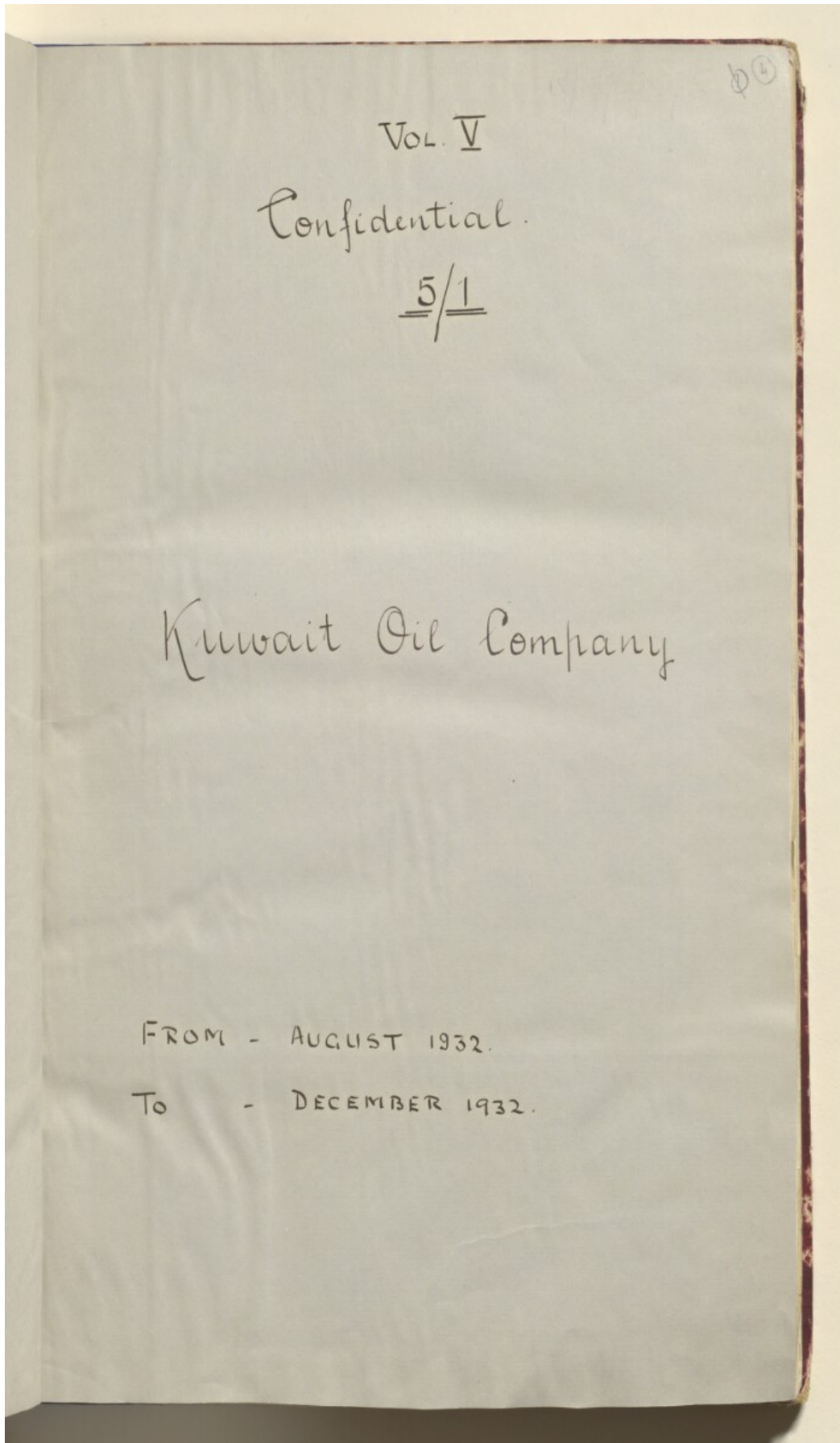
"ملف ٥ / ١ V شركة نفط الكويت" [٣و] (٣٩٢/١٠)





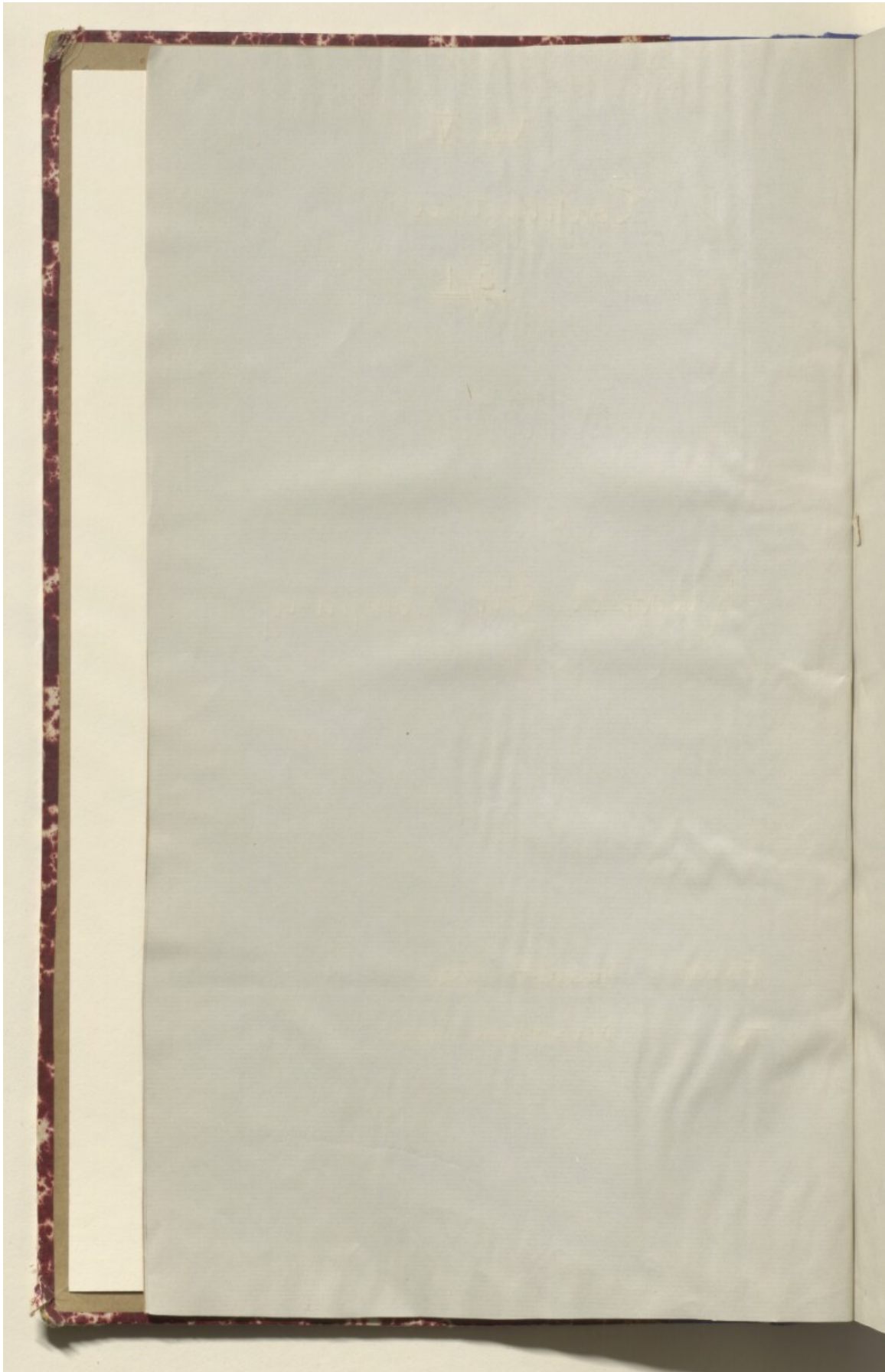
"ملف ٥ / ١ V شركة نفط الكويت" [٣ظ] (١١ / ٢٩٣)

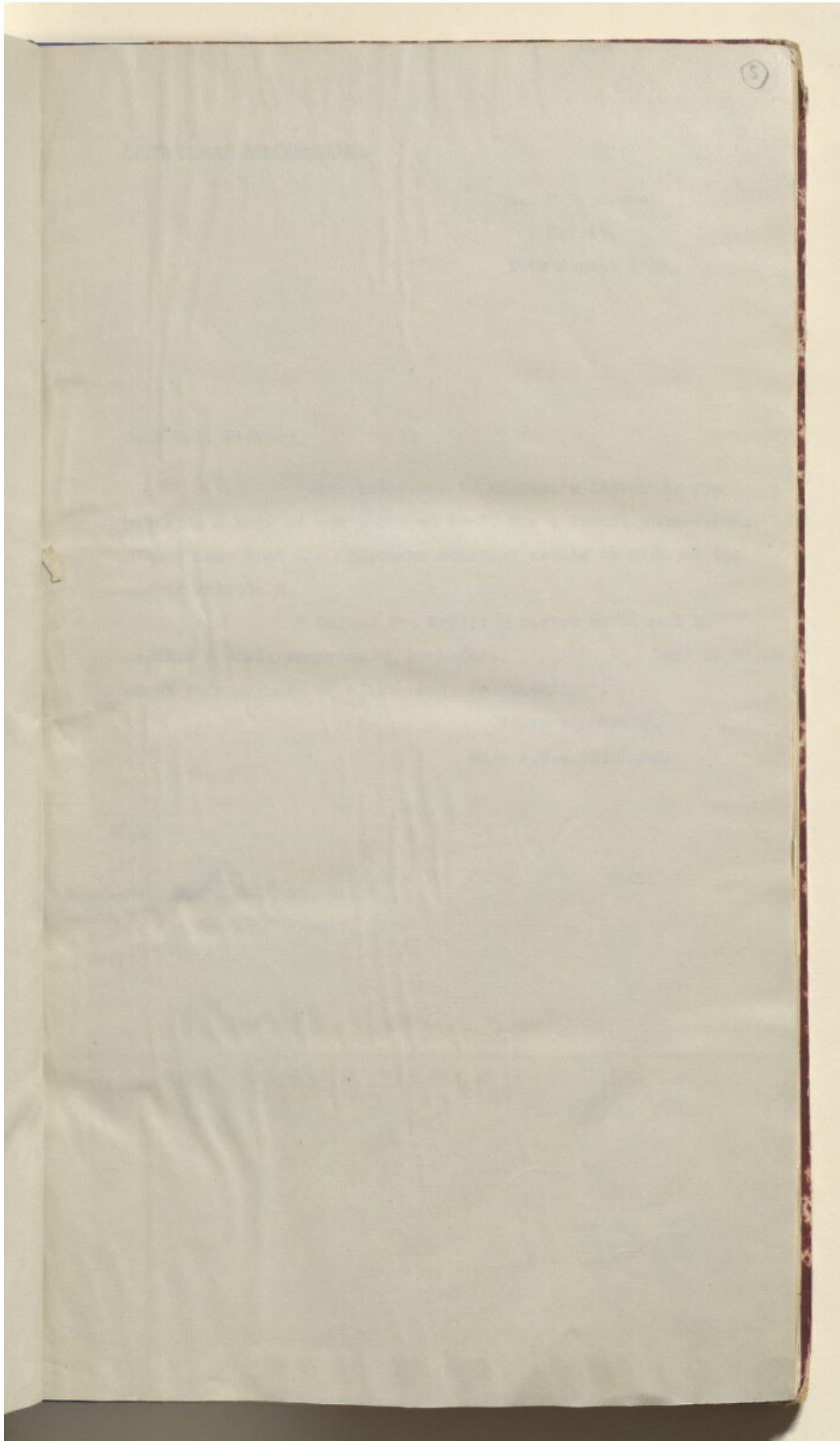






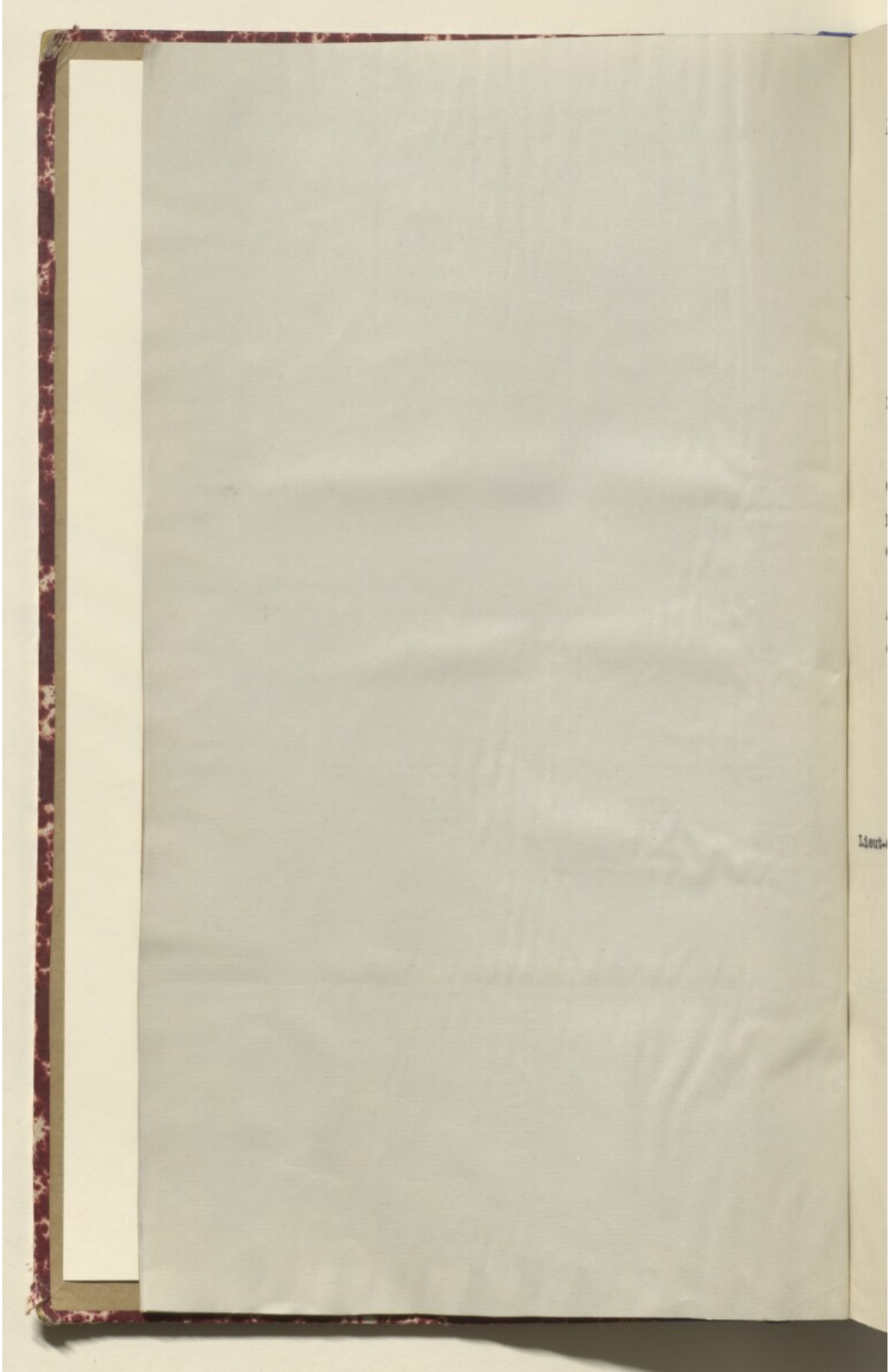
"ملف ٥ / ١ V شركة نفط الكويت" [٤ظ] (٣٩٢/١٣)







"ملف ١/ ٥ V شركة نفط الكويت" [٥ظ] (٣٩٢/١٥)





Private and confidential.

A.P.O.C. House

Kuwait.

15th August 1932.

Dear Col. Dickson,

With reference to Mr. Gass's letter to you covering a copy of our proposed draft for a Kuwait concession, please note that the following addition should be made at the end of Article 2.

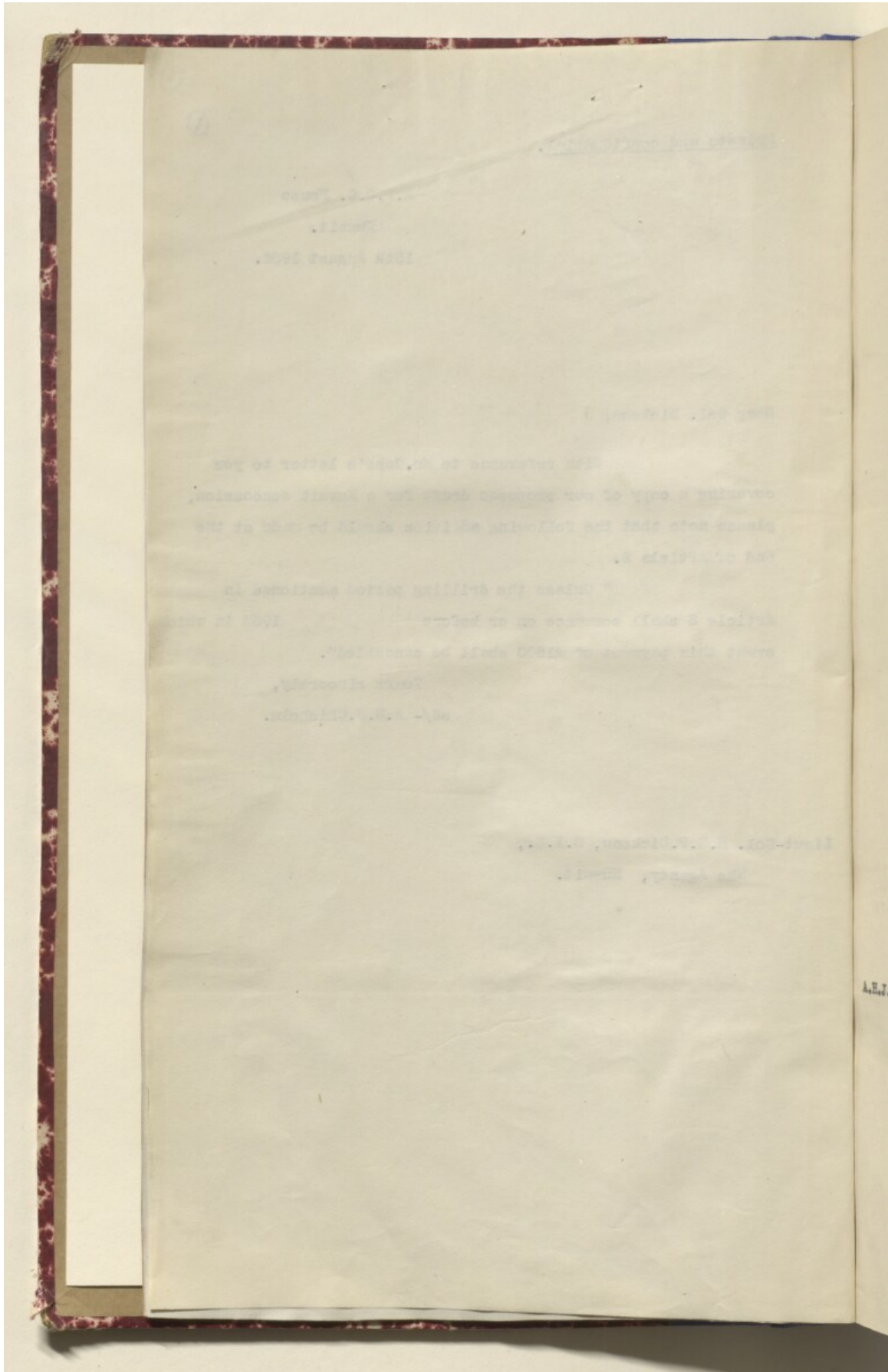
" Unless the drilling period mentioned in Article 3 shall commence on or before 1933 in which event this payment of £1500 shall be cancelled".

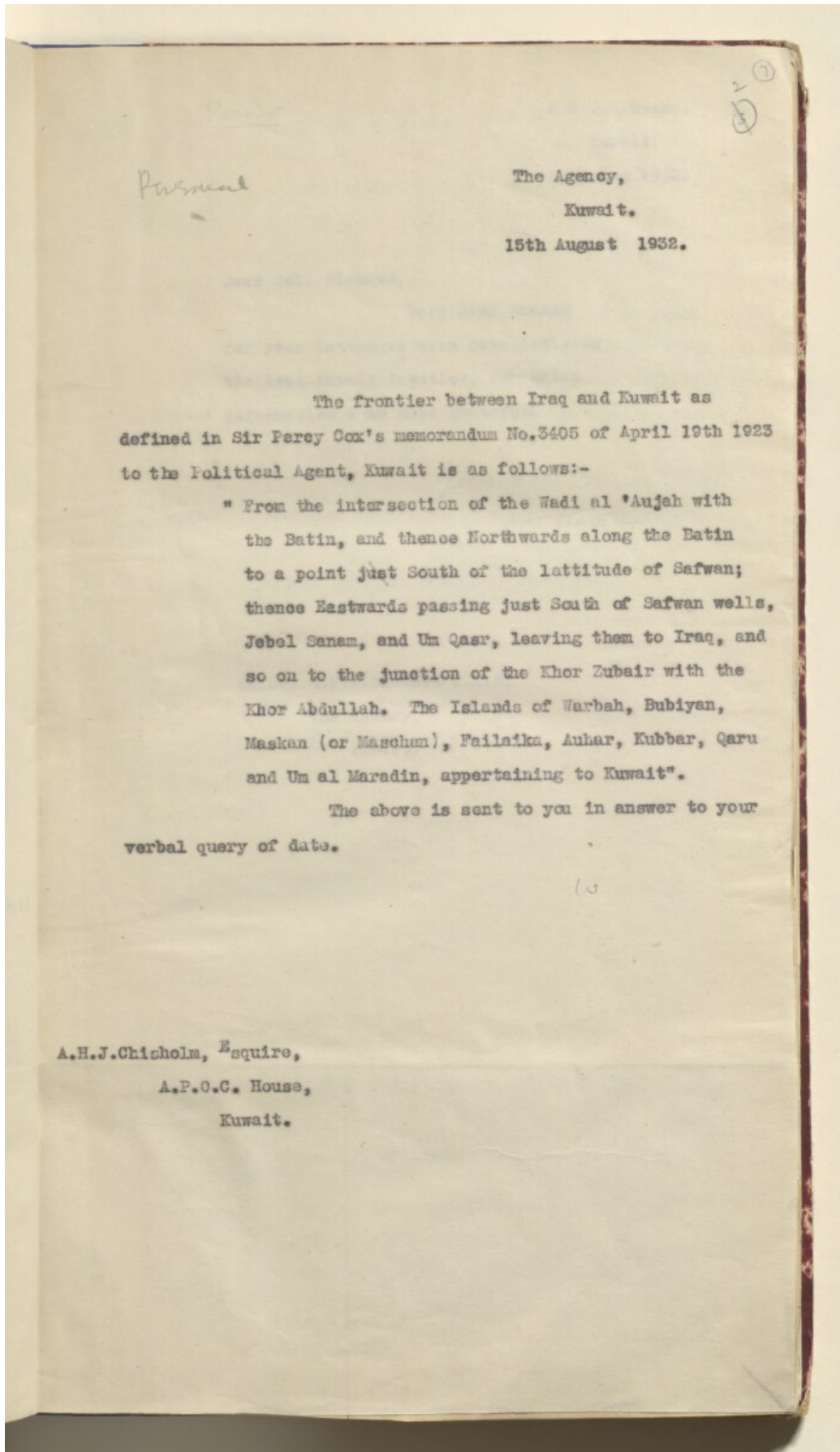
Yours sincerely,

sd/- A.H.J. Chisholm.

Lieut-Col. H.R.P. Dickson, C.I.E.,

The Agency, Kuwait.





Perusal

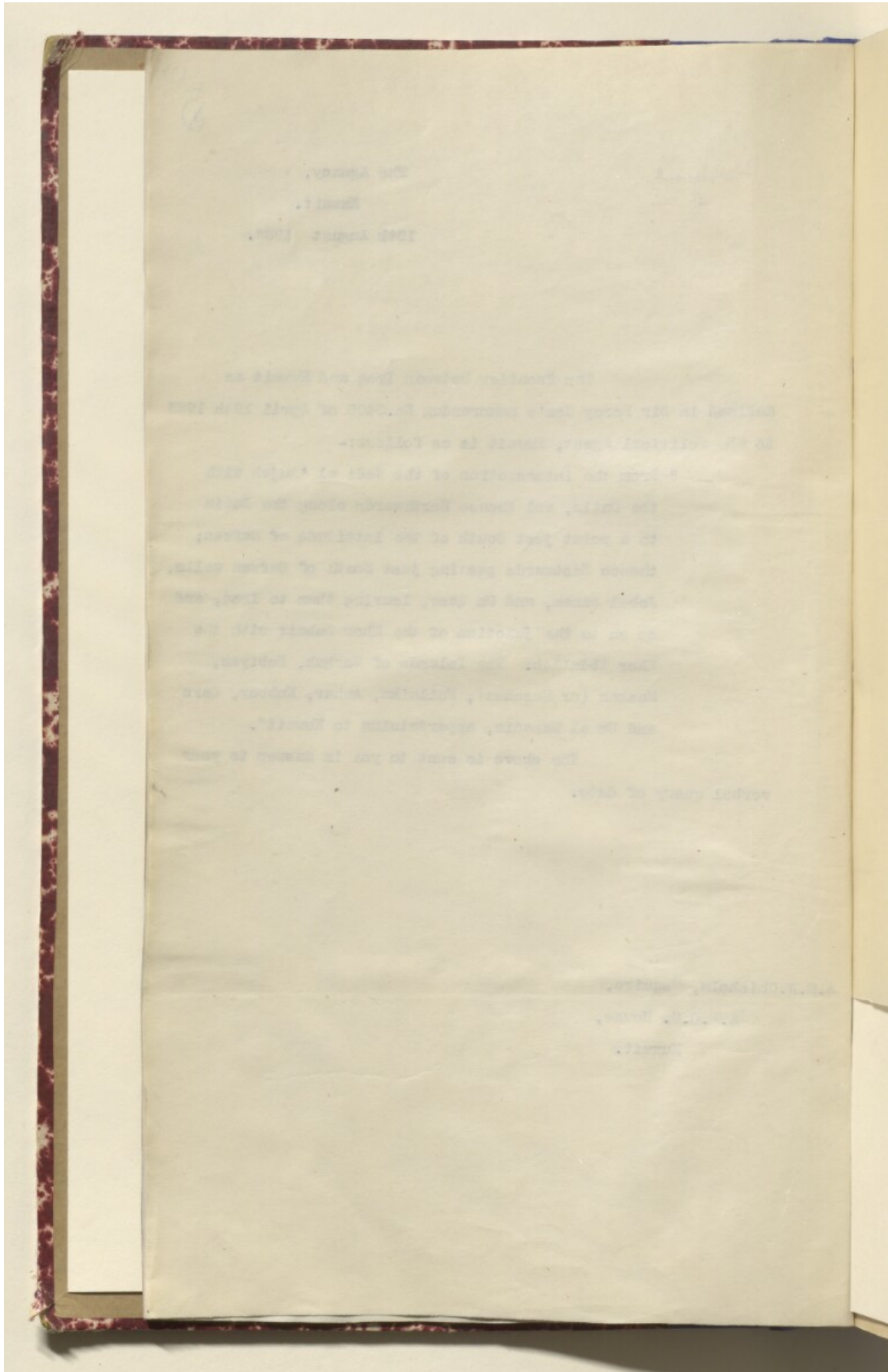
The Agency,
Kuwait.
15th August 1932.

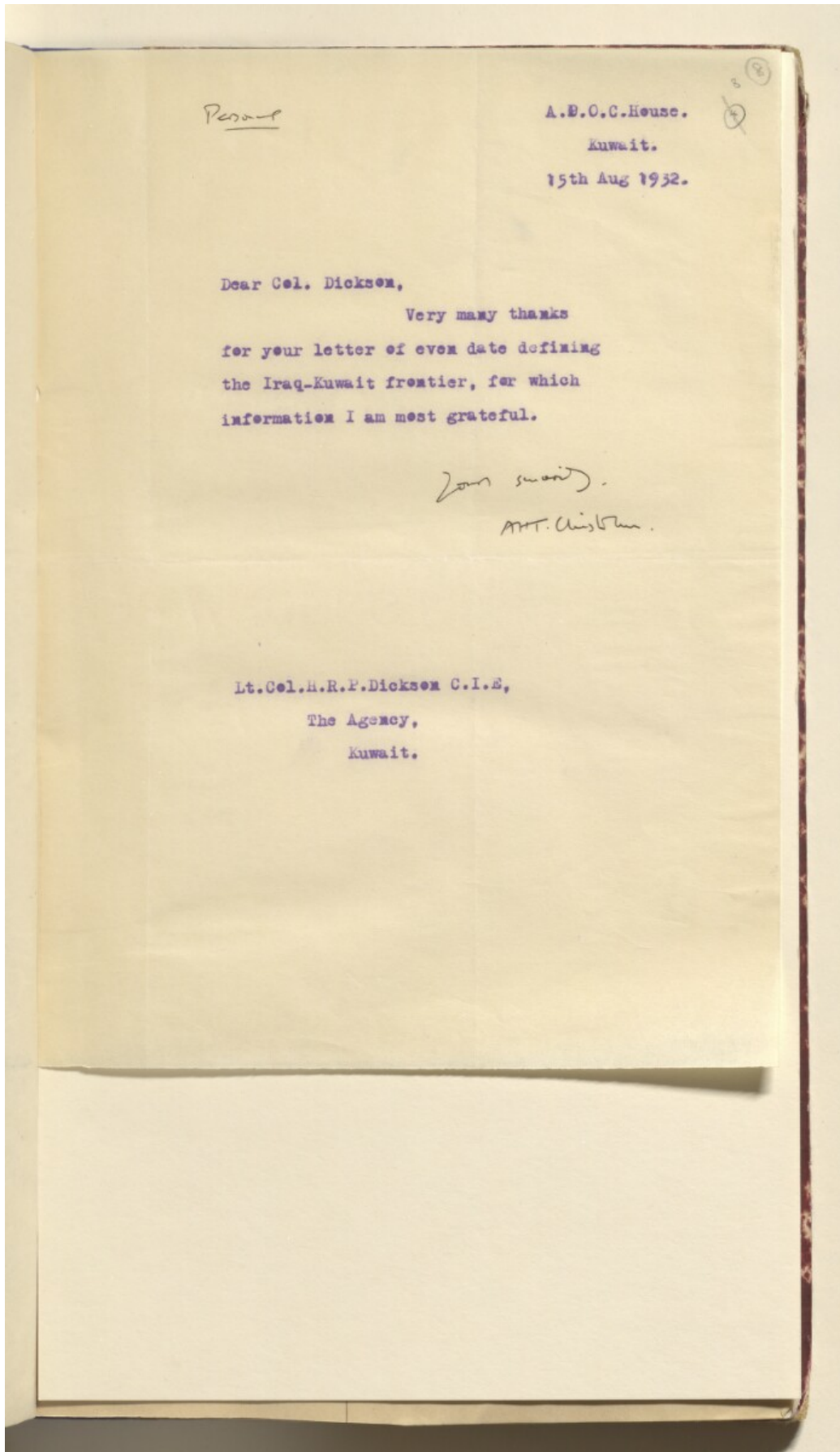
The frontier between Iraq and Kuwait as defined in Sir Percy Cox's memorandum No. 3405 of April 19th 1923 to the Political Agent, Kuwait is as follows:-

" From the intersection of the Wadi al 'Aujah with the Batin, and thence Northwards along the Batin to a point just South of the latitude of Safwan; thence Eastwards passing just South of Safwan wells, Jebel Sanam, and Um Qasr, leaving them to Iraq, and so on to the junction of the Khor Zubair with the Khor Abdullah. The Islands of Warbah, Bubiyan, Maskan (or Maschan), Failaka, Auhar, Kubbar, Qaru and Um al Maradin, appertaining to Kuwait".

The above is sent to you in answer to your verbal query of date.

A.H.J. Chisholm, Esquire,
A.P.O.C. House,
Kuwait.





Personal

A.D.O.C. House.

Kuwait.

15th Aug 1932.

Dear Col. Dickson,

Very many thanks
for your letter of even date defining
the Iraq-Kuwait frontier, for which
information I am most grateful.

Yours sincerely,
A.D.O.C. House.

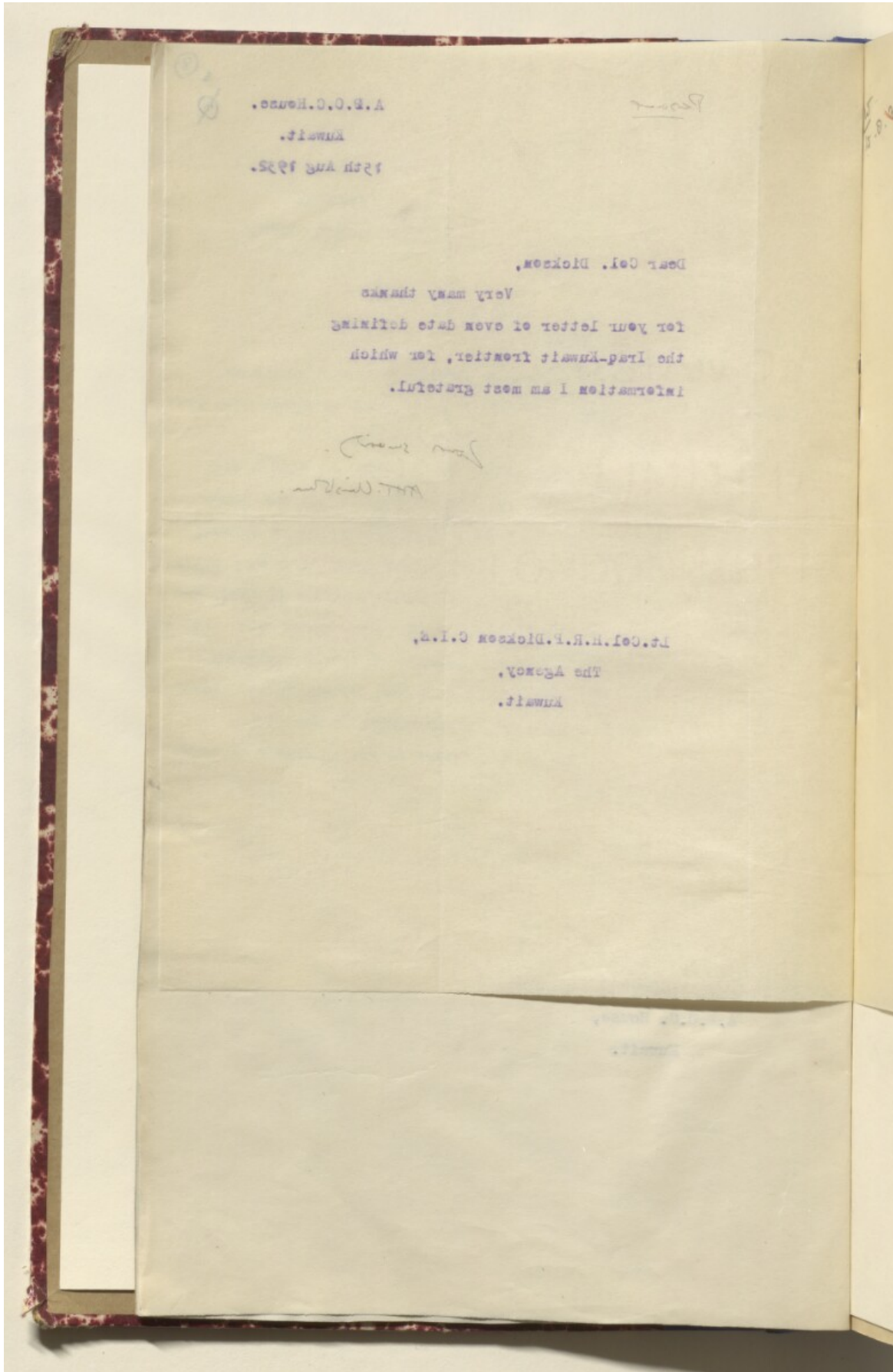
Lt. Col. H.R.P. Dickson C.I.S.,

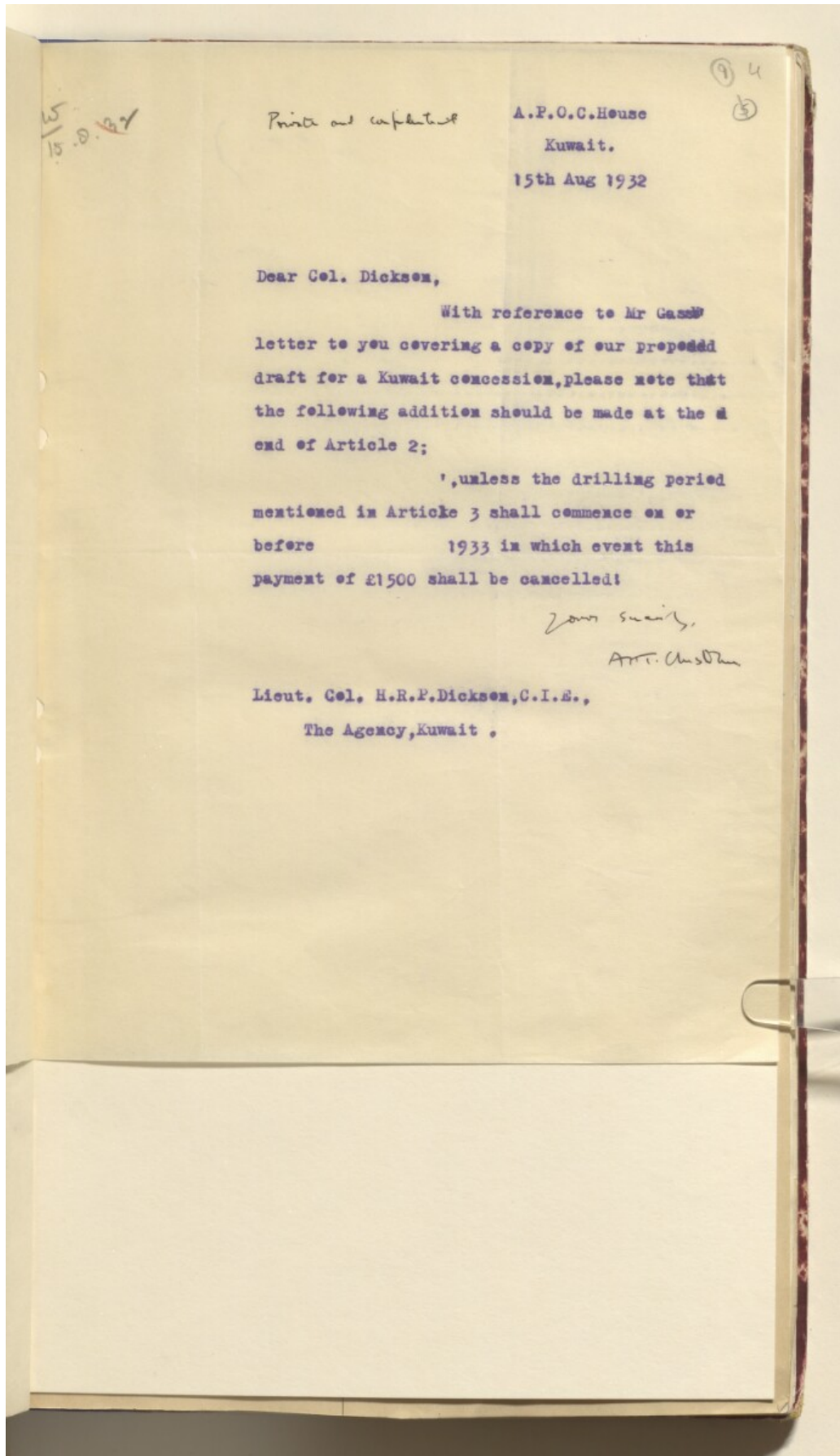
The Agency,

Kuwait.



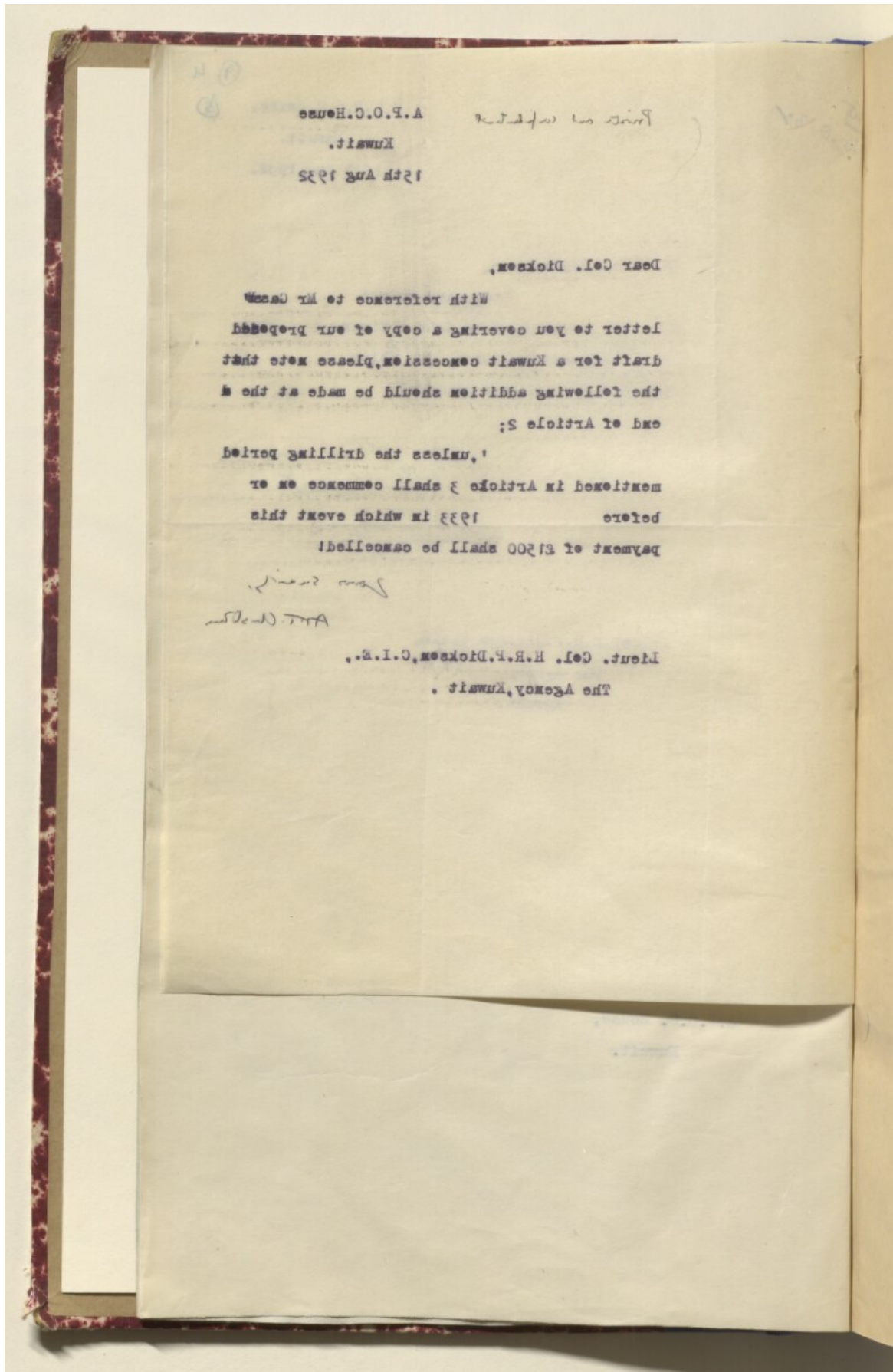
"ملف ٥ / ١ V شركة نفط الكويت" [٨ظ] (٣٩٢/٢١)

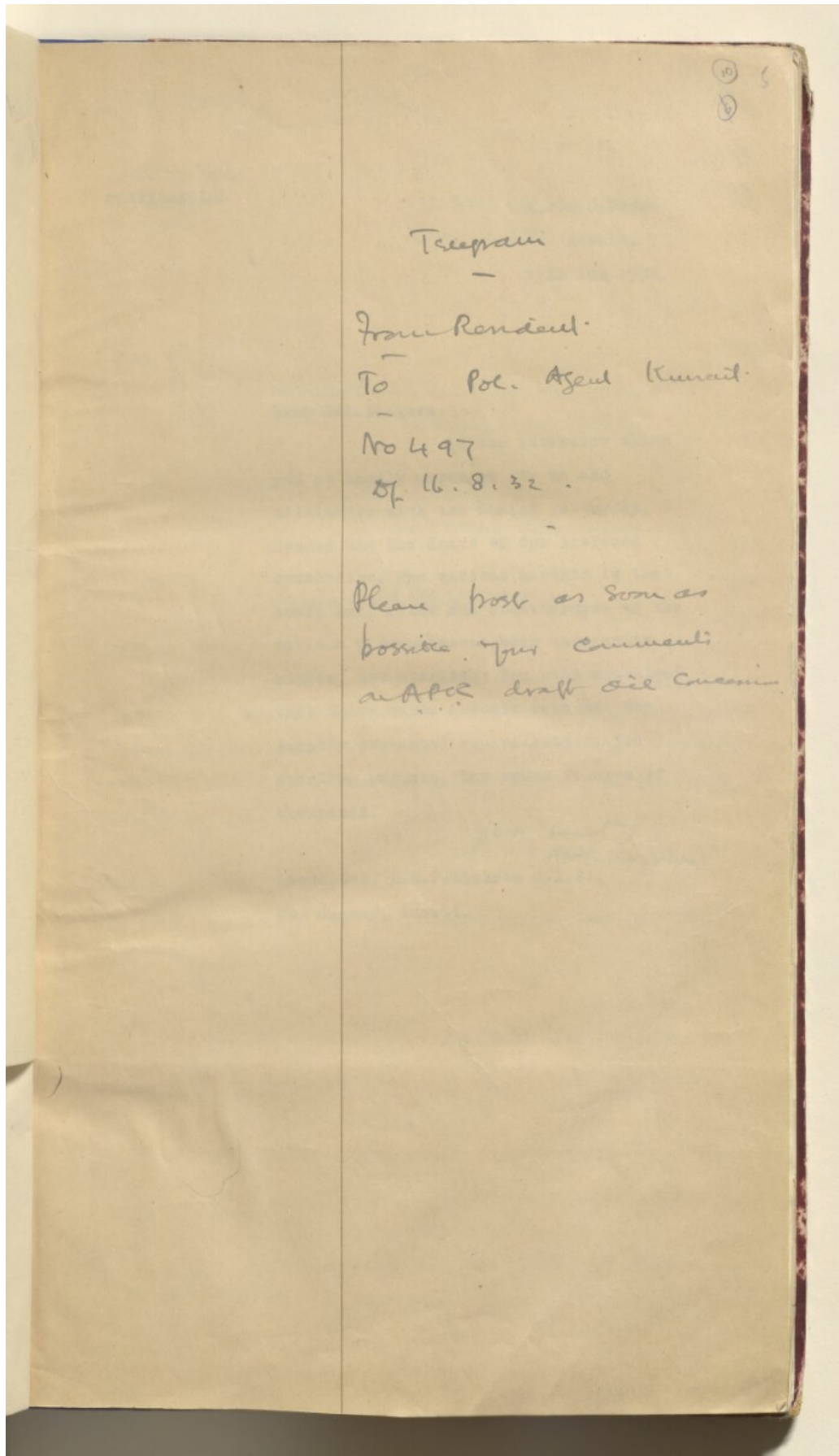


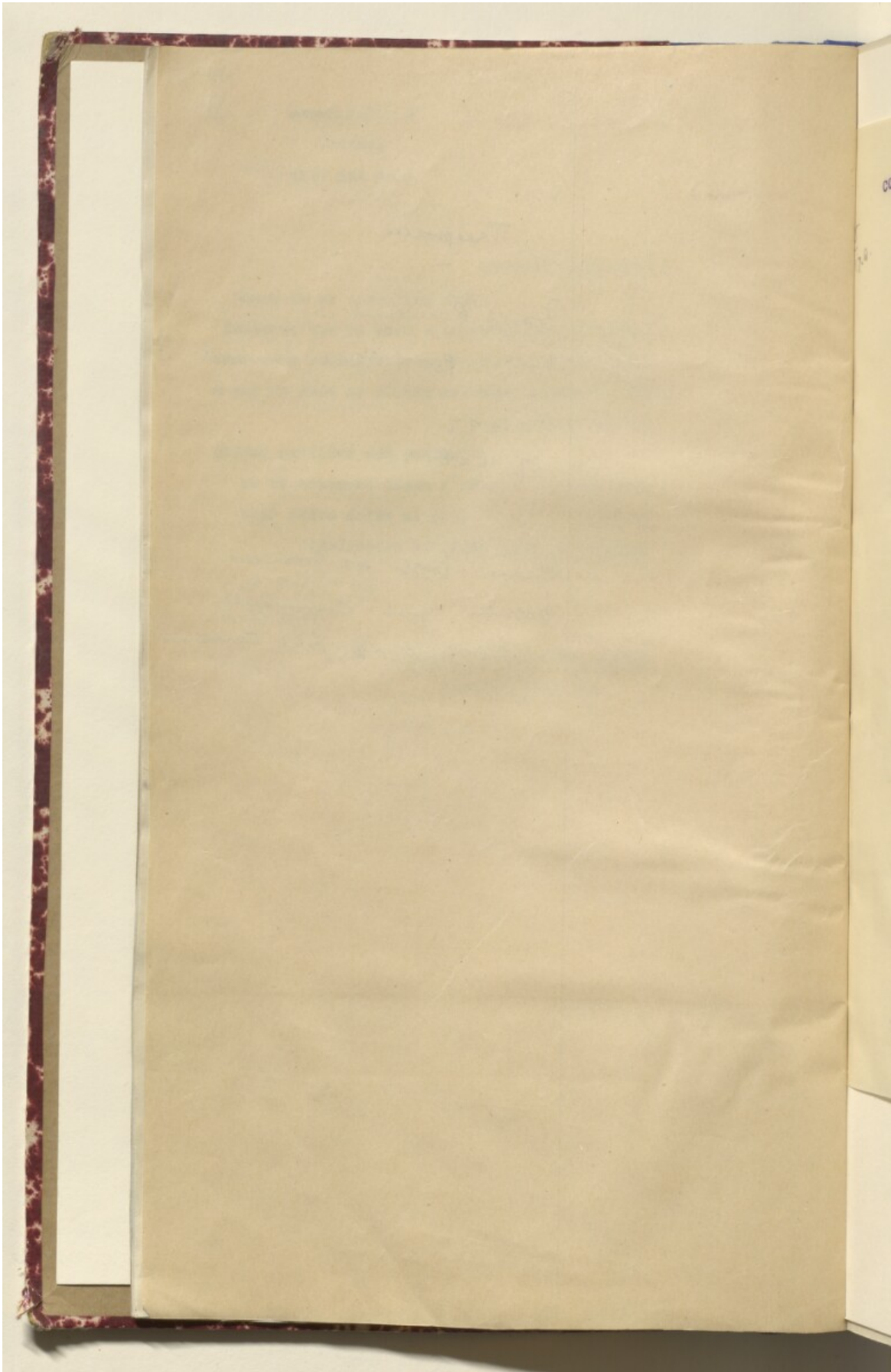




"ملف ١٠ ٥ ٧ شركة نفط الكويت" [٩٦] (٣٩٢/٢٣)









CONFIDENTIAL

A.P.O.C.House

Kuwait.

17th Aug 1932.

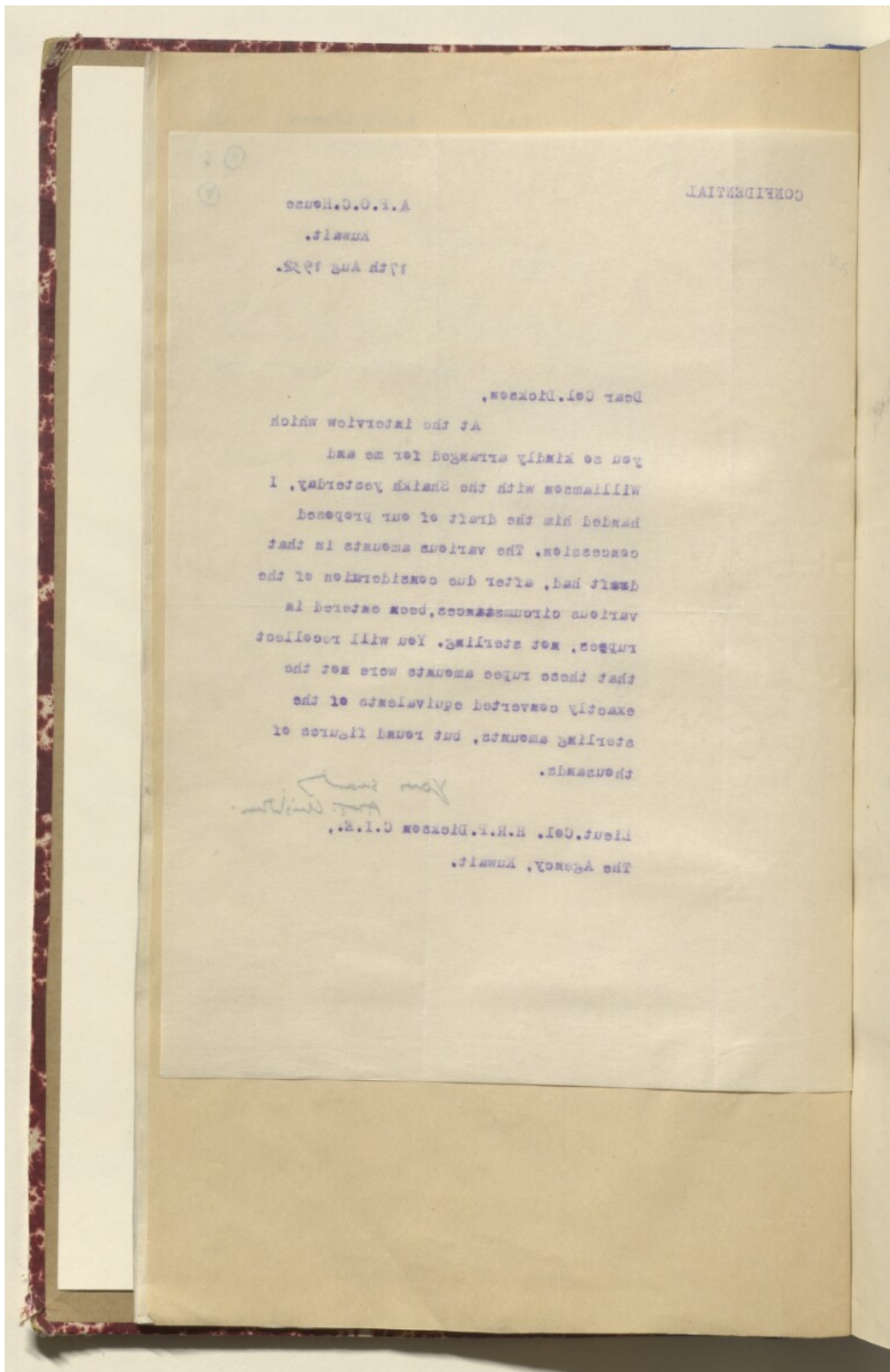
Dear Col. Dickson,

At the interview which you so kindly arranged for me and Williamson with the Shaikh yesterday, I handed him the draft of our proposed concession. The various amounts in that draft had, after due consideration of the various circumstances, been entered in rupees, not sterling. You will recollect that these rupee amounts were not the exactly converted equivalents of the sterling amounts, but round figures of thousands.

Yours sincerely
Arthur Williamson

Lieut. Col. H.R.P. Dickson C.I.E.,

The Agency, Kuwait.





Confidential.

No.134.

Political Agency, Kuwait.

Dated the 17th August 1932.

From

Lieutenant-Colonel H.R.P. Dickson, C.I.E.,
Political Agent, Kuwait.

To

The Hon'ble the Political Resident
in the Persian Gulf, Bushire.

A.P.O.C. Draft Oil Concession.

Sir,

I have the honour to enclose a copy of a
private and confidential note dated the 15th August 1932, which
I have received from Mr. Chisholm, informing me that a certain
addition should be made at the end of Article 2 of the Draft
Oil Concession.

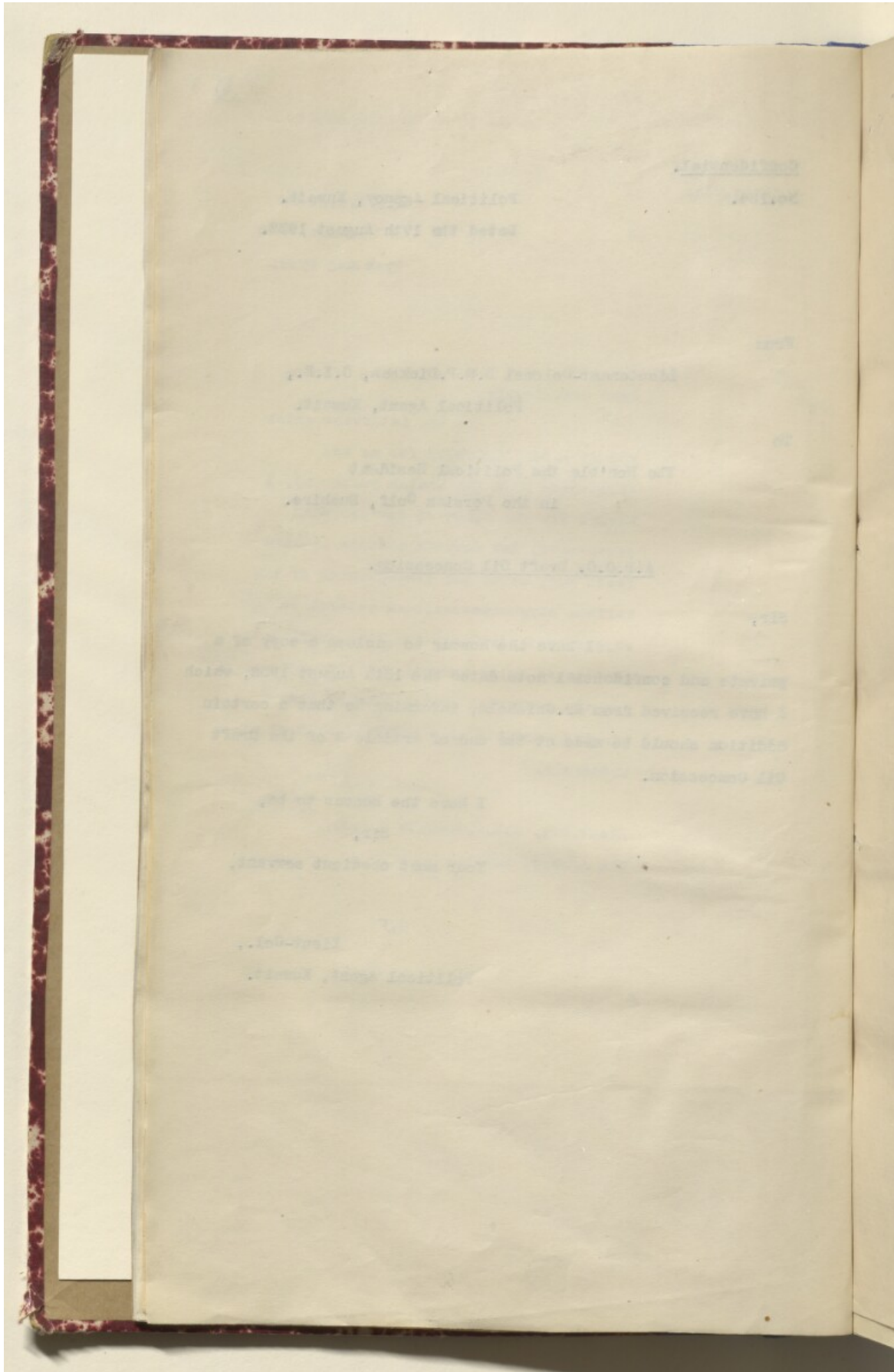
I have the honour to be,

Sir,

Your most obedient servant,

Lieut-Col.,

Political Agent, Kuwait.



Confidential.

No. 140

Political Agency, Kuwait.

Dated the 18th August 1932.

From

Lieutenant-Colonel H.R.P. Dickson, C.I.E.,

Political Agent, Kuwait.

To

The Hon'ble the Political Resident

in the Persian Gulf, Bushire.

A.P.O.C. Draft Oil Agreement.

Sir,

Reference your telegram No.497 dated the 16th August 1932.

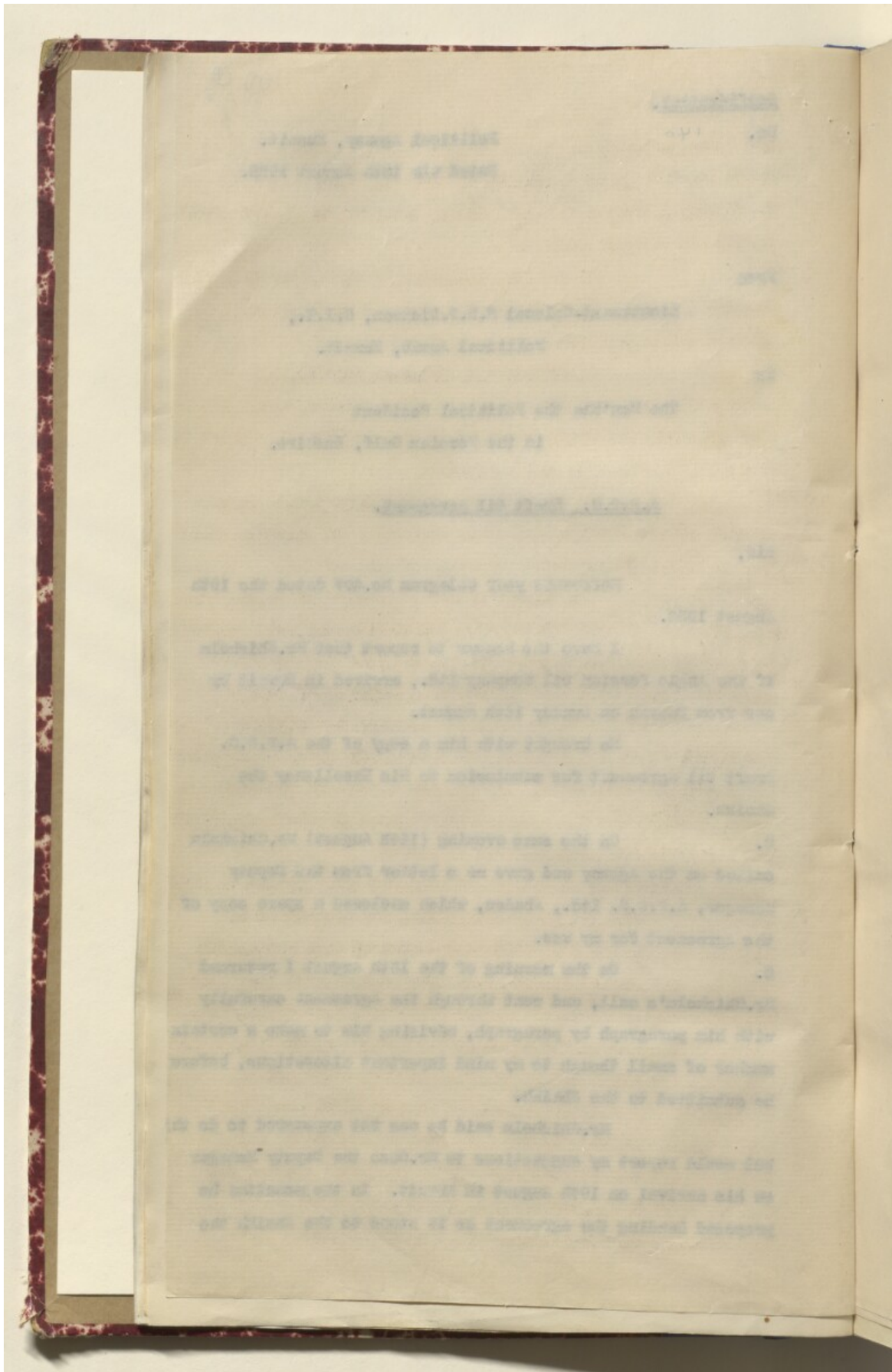
I have the honour to report that Mr.Chisholm of the Anglo Persian Oil Company Ltd., arrived in Kuwait by car from Basrah on Sunday 14th August.

He brought with him a copy of the A.P.O.C. Draft Oil Agreement for submission to His Excellency the Shaikh.

2. On the same evening (14th August) Mr.Chisholm called on the Agency and gave me a letter from the Deputy Manager, A.P.O.C. Ltd., Abadan, which enclosed a spare copy of the Agreement for my use.

3. On the morning of the 15th August I returned Mr.Chisholm's call, and went through the Agreement carefully with him paragraph by paragraph, advising him to make a certain number of small though to my mind important alterations, before he submitted to the Shaikh.

Mr.Chisholm said he was not empowered to do this but would report my suggestions to Mr.Cass the Deputy Manager on his arrival on 19th August in Kuwait. In the meantime he proposed handing the agreement as it stood to the Shaikh the



-2-

the following day, and would explain that any little points which did not appear necessary or were not liked he, Mr.Chisholm, felt sure they could be adjusted to his liking as soon as Mr.Cass arrived.

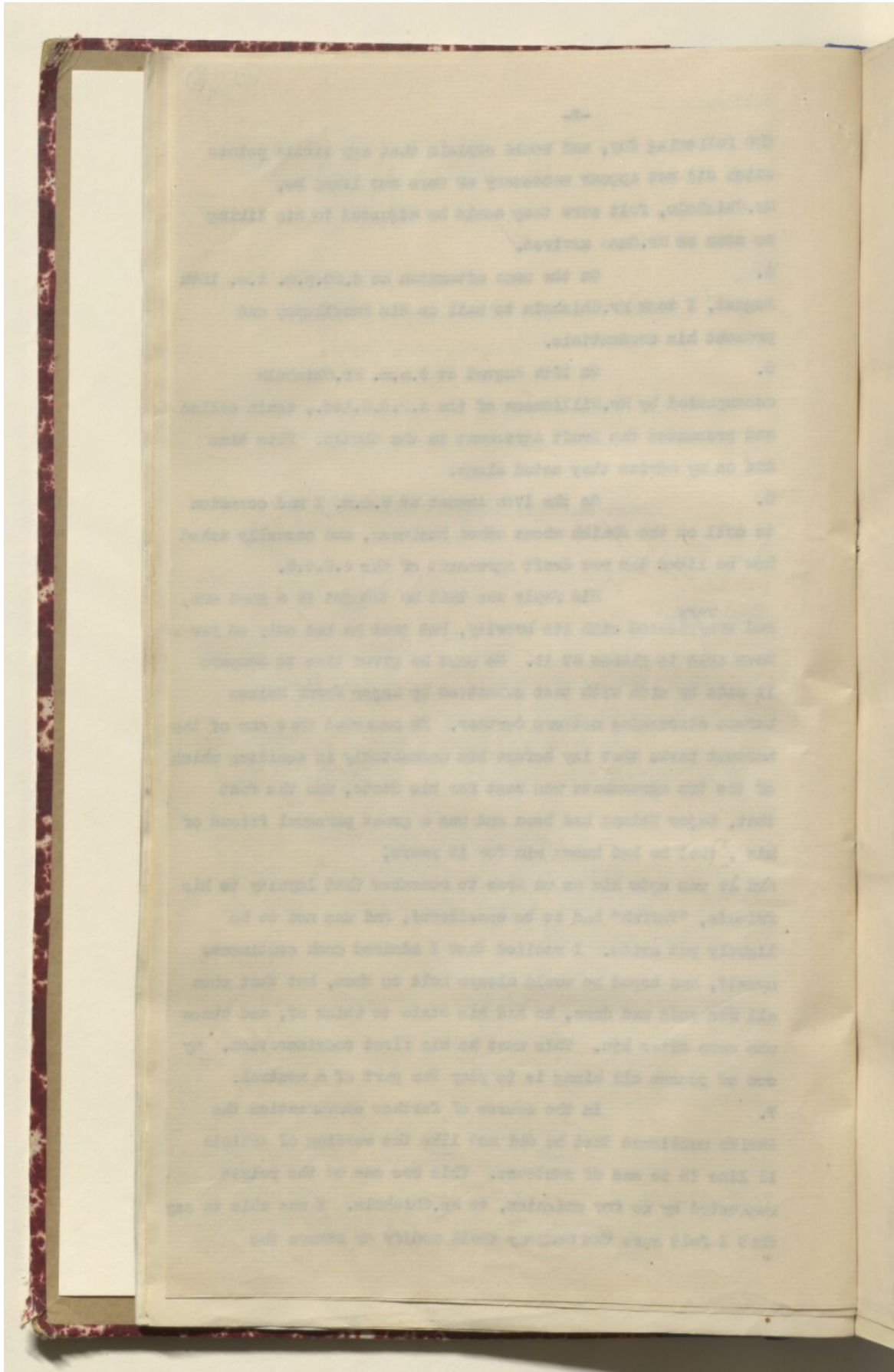
4. On the same afternoon at 4.30.p.m. i.e. 15th August, I took Mr.Chisholm to call on His Excellency and present his credentials.

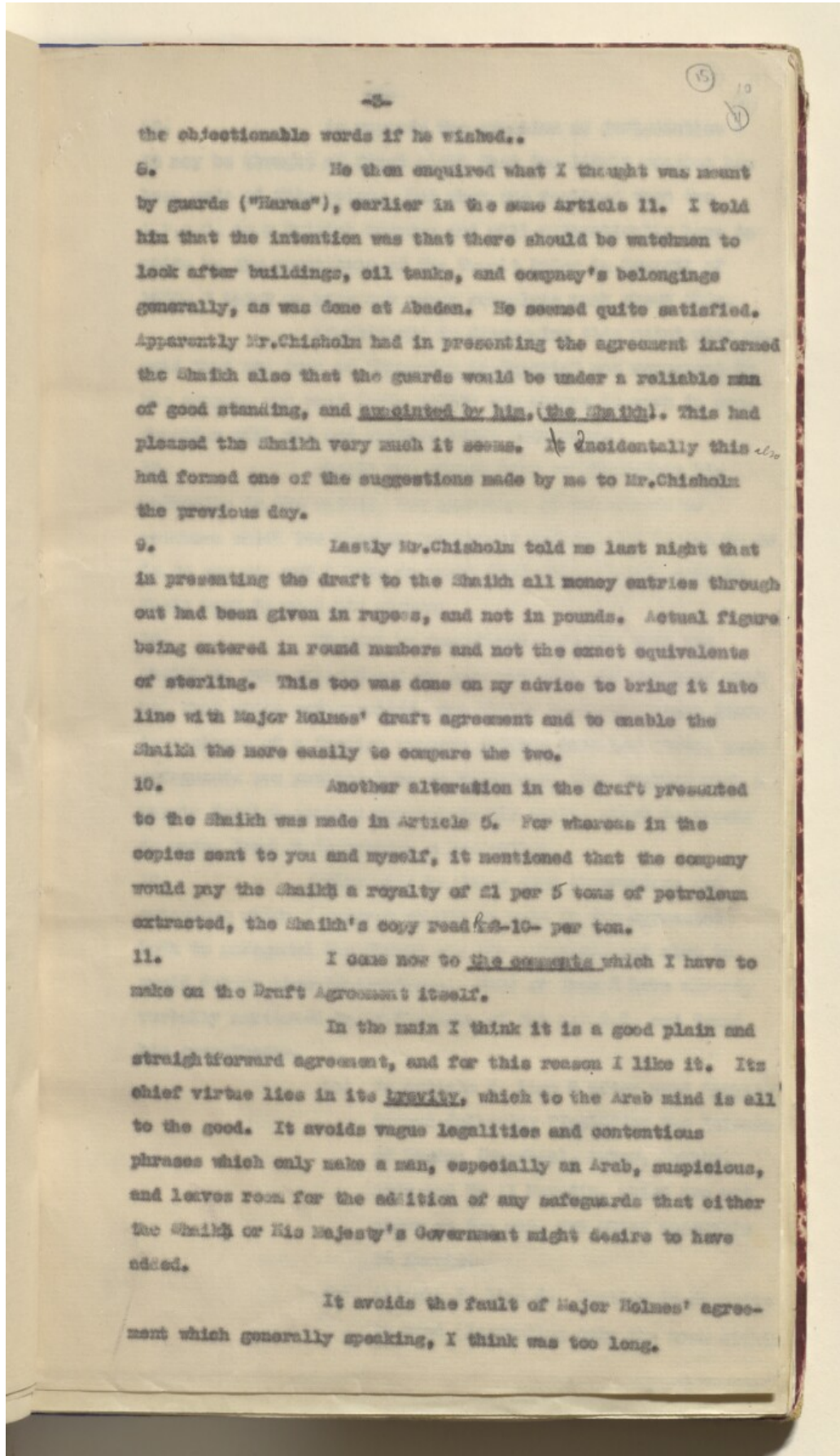
5. On 16th August at 9.a.m. Mr.Chisholm accompanied by Mr.Williamson of the A.P.O.C.Ltd., again called and presented the Draft Agreement to the Shaikh. This time and on my advice they acted alone.

6. On the 17th August at 9.a.m. I had occasion to call on the Shaikh about other business, and casually asked how he liked the new draft agreement of the A.P.O.C.

His reply was that he thought it a good one, ^{very} and was pleased with its brevity, but that he had only so far been able to glance at it. He must be given time to compare it side by side with that submitted by Major Frank Holmes before discussing matters further. He remarked that one of the hardest tasks that lay before him undoubtedly in deciding which of the two agreements was best for his State, was the fact that, Major Holmes had been and was a great personal friend of his, that he had known him for 18 years, and it was upto him as an Arab to remember that loyalty to his friends, "Ruffah" had to be considered, and was not to be lightly put aside. I replied that I admired such sentiments myself, and hoped he would always hold to them, but that when all was said and done, he had his State to think of, and those who come after him. This must be his first consideration. My cue of course all along is to play the part of a neutral.

7. In the course of further conversation the Shaikh mentioned that he did not like the wording of Article 11 line 15 to end of sentence. This was one of the points suggested by me for omission, to Mr.Chisholm. I was able to say that I felt sure the Company would modify or remove the





the objectionable words if he wished..

8. He then enquired what I thought was meant by guards ("Haras"), earlier in the same Article 11. I told him that the intention was that there should be watchmen to look after buildings, oil tanks, and company's belongings generally, as was done at Abadan. He seemed quite satisfied. Apparently Mr. Chisholm had in presenting the agreement informed the Shaikh also that the guards would be under a reliable man of good standing, and appointed by him, (the Shaikh). This had pleased the Shaikh very much it seems. At incidentally this had formed one of the suggestions made by me to Mr. Chisholm the previous day.

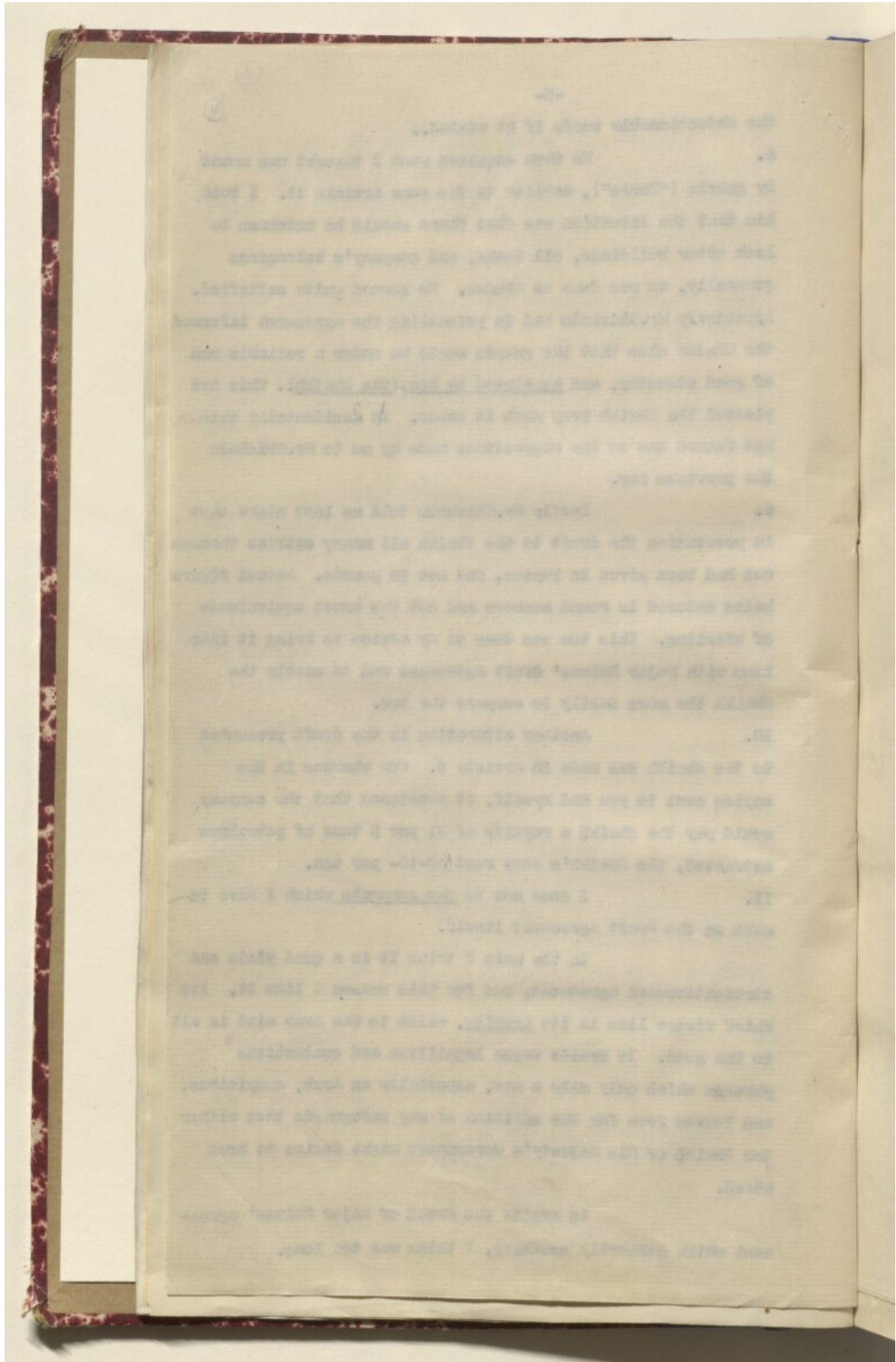
9. Lastly Mr. Chisholm told me last night that in presenting the draft to the Shaikh all money entries through out had been given in rupees, and not in pounds. Actual figure being entered in round numbers and not the exact equivalents of sterling. This too was done on my advice to bring it into line with Major Holmes' draft agreement and to enable the Shaikh the more easily to compare the two.

10. Another alteration in the draft presented to the Shaikh was made in Article 5. For whereas in the copies sent to you and myself, it mentioned that the company would pay the Shaikh a royalty of 21 per 5 tons of petroleum extracted, the Shaikh's copy read Rs-10- per ton.

11. I came now to the comments which I have to make on the Draft Agreement itself.

In the main I think it is a good plain and straightforward agreement, and for this reason I like it. Its chief virtue lies in its brevity, which to the Arab mind is all to the good. It avoids vague legalities and contentious phrases which only make a man, especially an Arab, suspicious, and leaves room for the addition of any safeguards that either the Shaikh or His Majesty's Government might desire to have added.

It avoids the fault of Major Holmes' agreement which generally speaking, I think was too long.



12. As regards the question of jurisdiction - It may be thought at first sight that too little mention has been made of this point. But when one realizes that the A.P.O.C. is a British Company and will automatically have to abide by the provisions of the Kuwait Order in Council of 1925, I think we need not worry ourselves much about this.

Mr. Chisholm is discussing this point with me, said that any idea of "Imperium in Imperio" was repugnant to his company and that their policy was always to work in conjunction with and not against local authority.

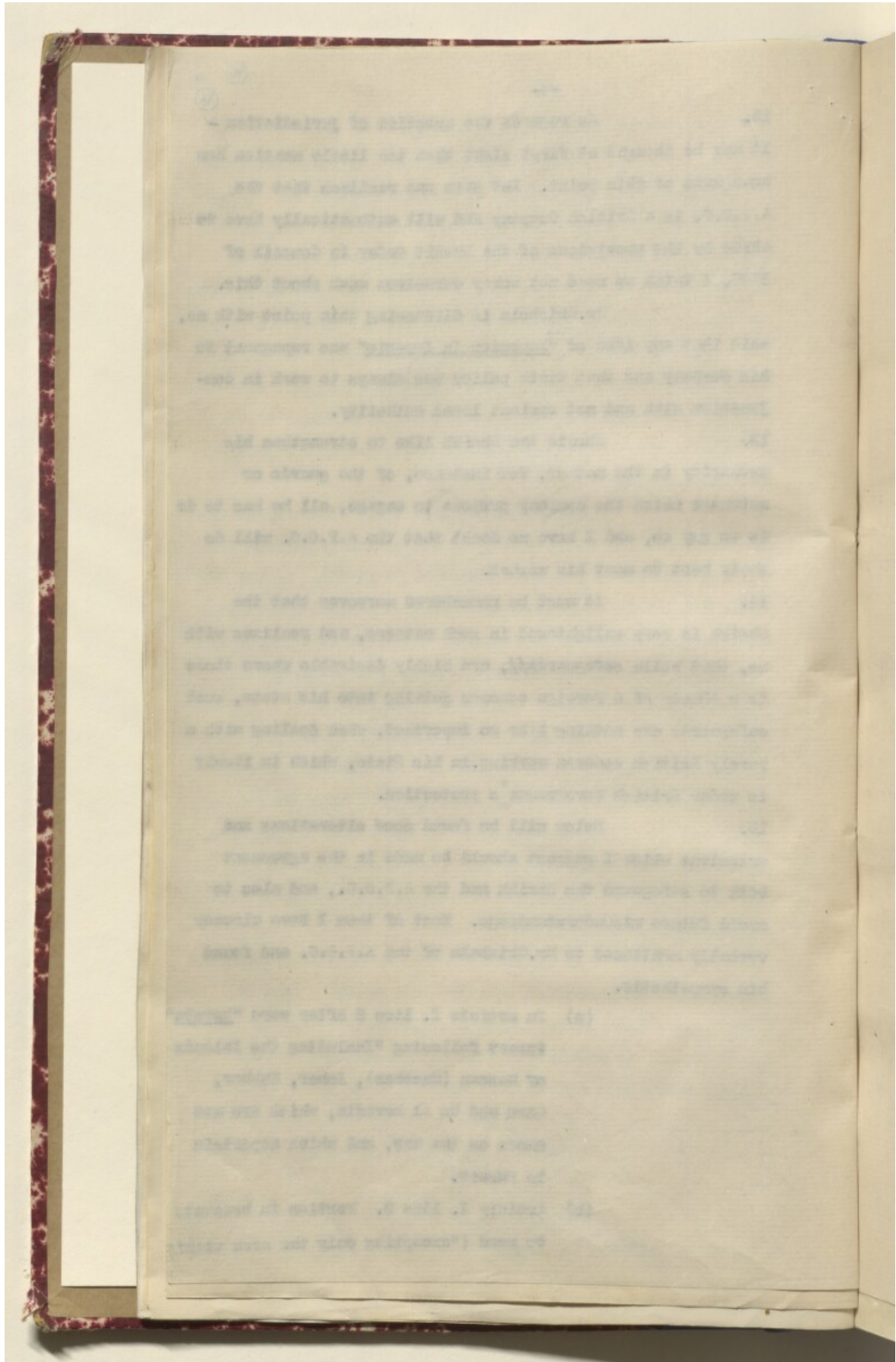
13. Should the Sheikh like to strengthen his authority in the matter, for instance, of the guards or watchmen which the company propose to engage, all he has to do is to say so, and I have no doubt that the A.P.O.C. will do their best to meet his wishes.

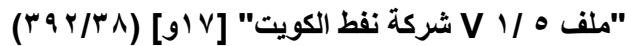
14. It must be remembered moreover that the Sheikh is very enlightened in such matters, and realizes with us, that while safeguards, are highly desirable where there is a chance of a Foreign concern getting into his State, such safeguards are nothing like so important, when dealing with a purely British concern working in his State, which in itself is under British Government's protection.

15. Below will be found some alterations and omissions which I suggest should be made in the agreement both to safeguard the Sheikh and the A.P.O.C., and also to avoid future misunderstandings. Most of them I have already verbally mentioned to Mr. Chisholm of the A.P.O.C. and found him sympathetic.

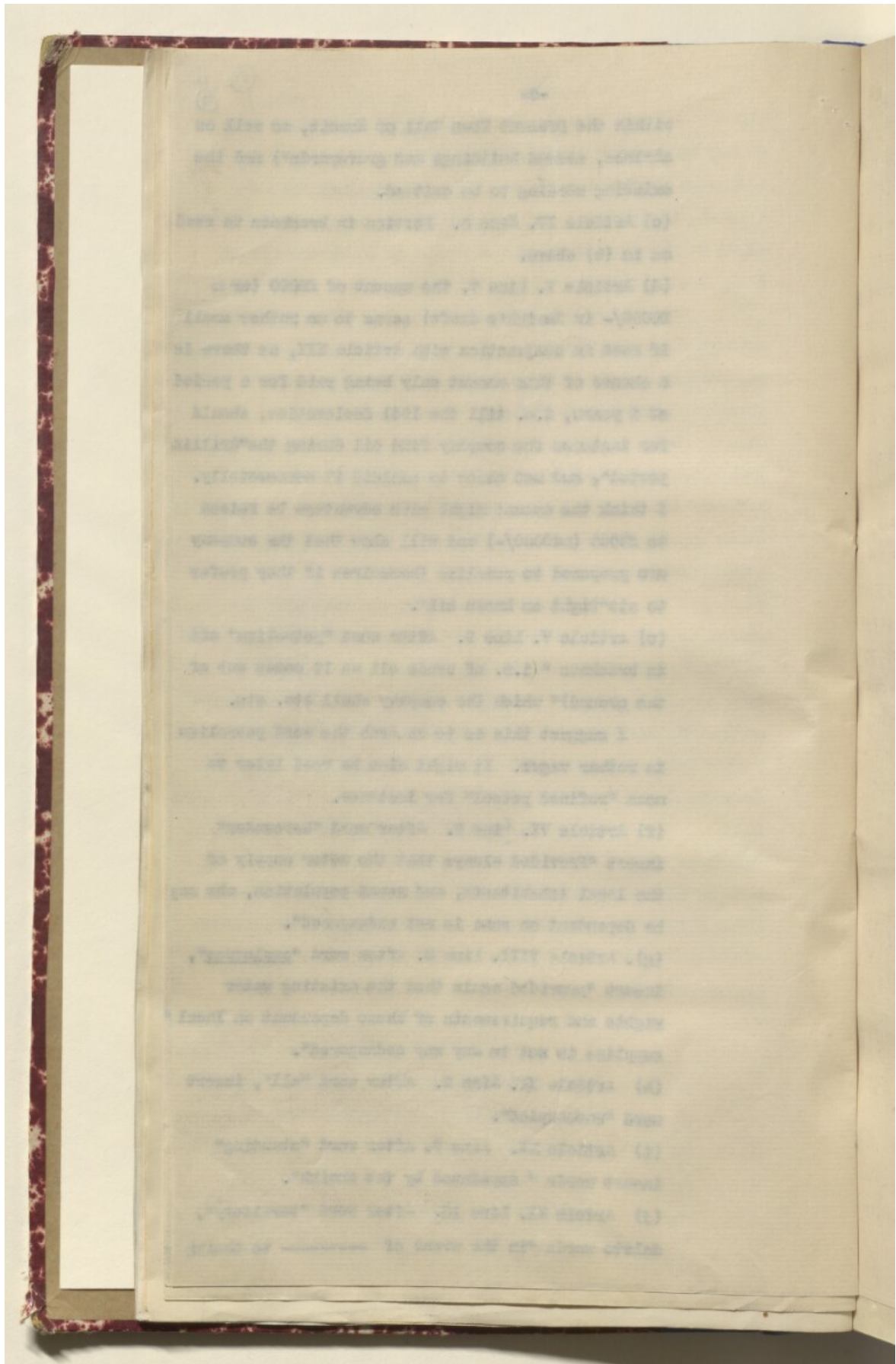
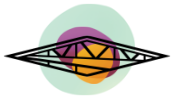
(a) In article I. line 3 after word "herein" insert following "Including the Islands of Mascha (Maschan), Auhar, Kubbar, Qaru and Uq Al Maradin, which are not shown on the map, and which appertain to Kuwait.

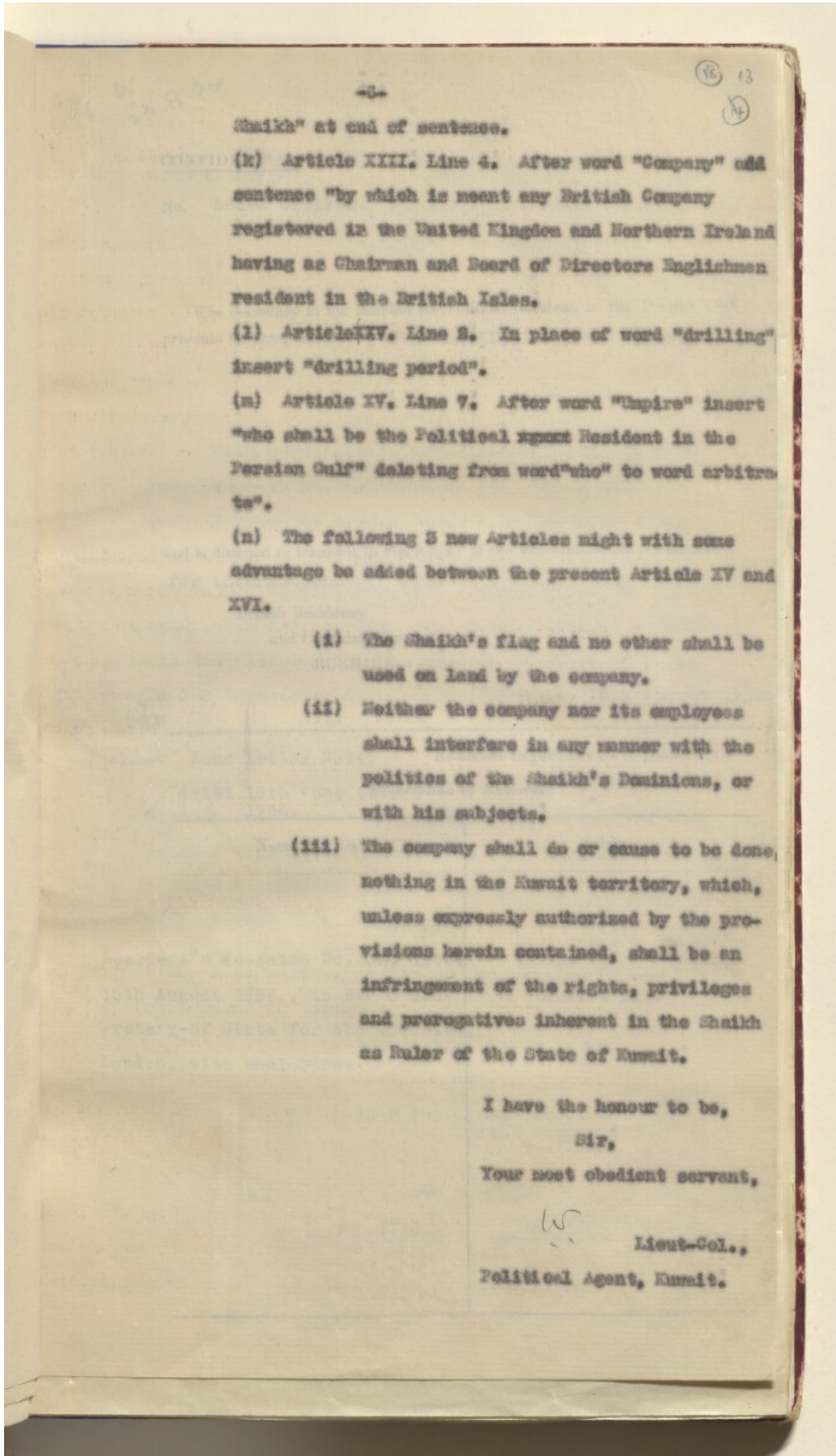
(b) Article I. line 3. Portion in brackets to read ("excepting only the area within

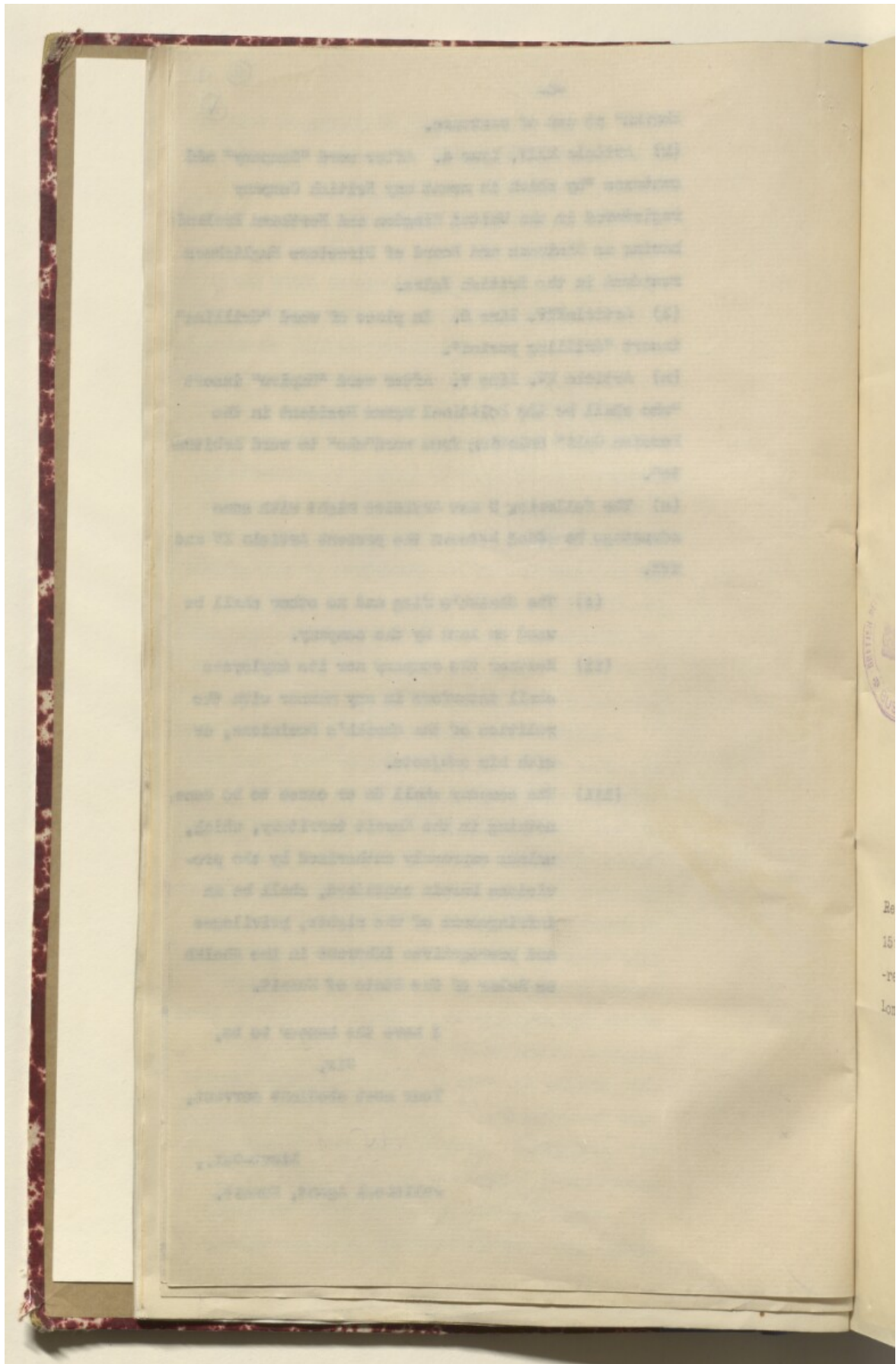
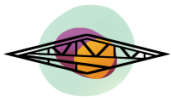


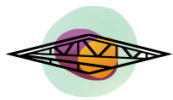


(j) Article XI, Line 15. After word "territory", delete words "in the event of ----- to Sheikh".









W 23.8.32

CONFIDENTIAL.

No. 581-S of 1932.

The Secretary to the Hon'ble the Political Resident in the Persian Gulf
presents his compliments to The Political Agent, Kuwait,

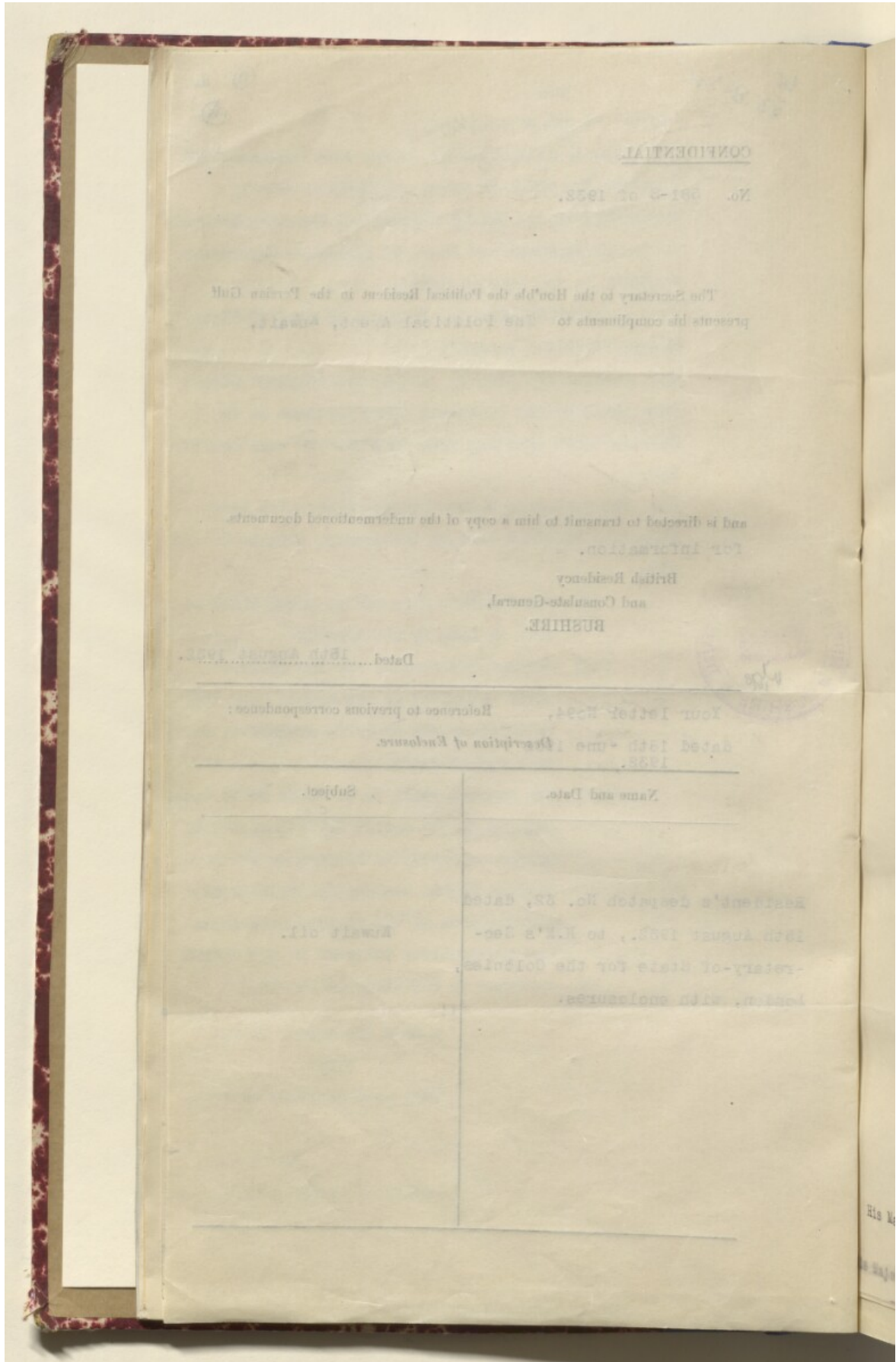
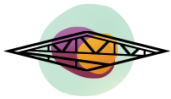
and is directed to transmit to him a copy of the undermentioned documents.
for information.

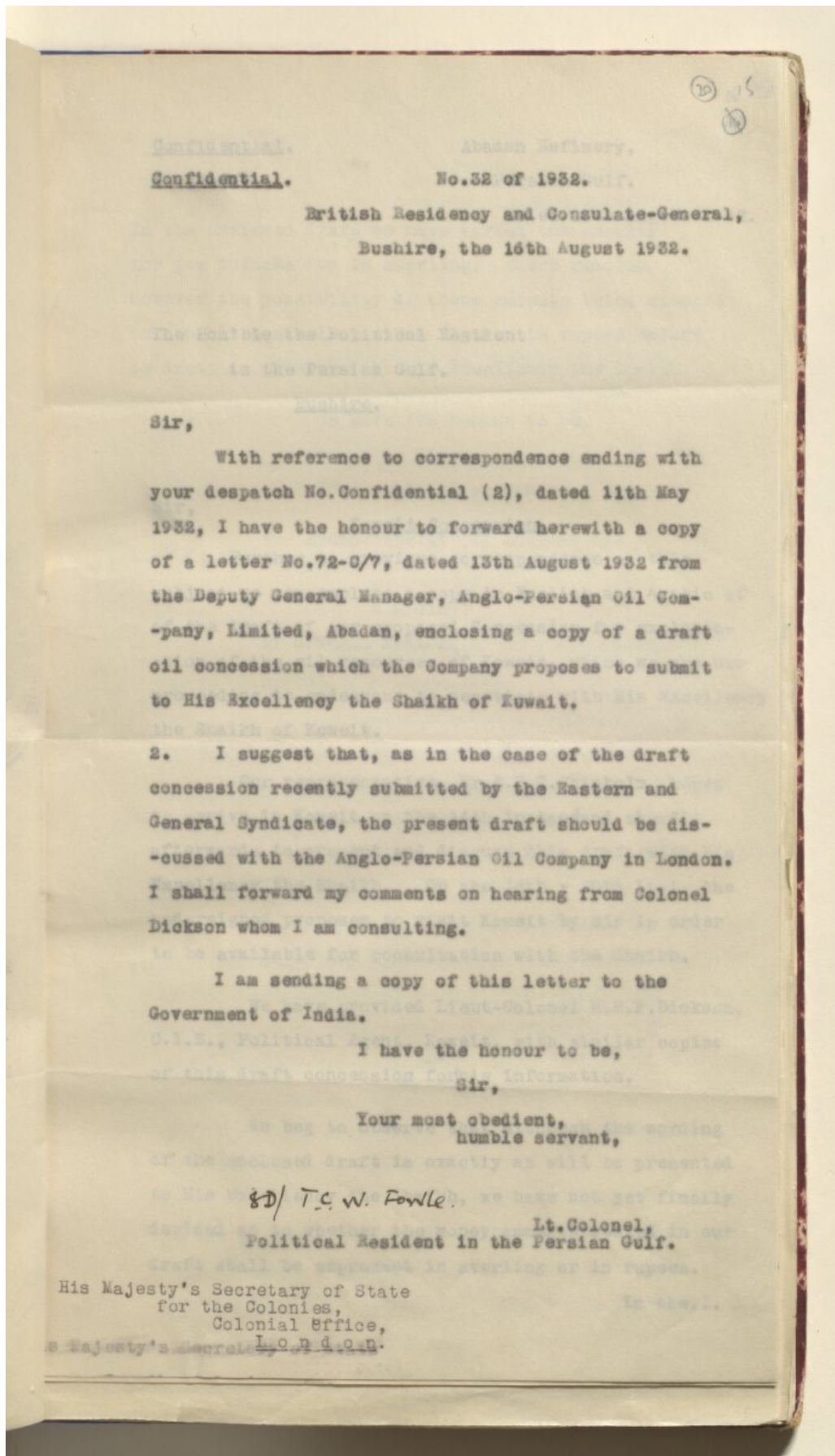
British Residency
and Consulate-General,
BUSHIRE.

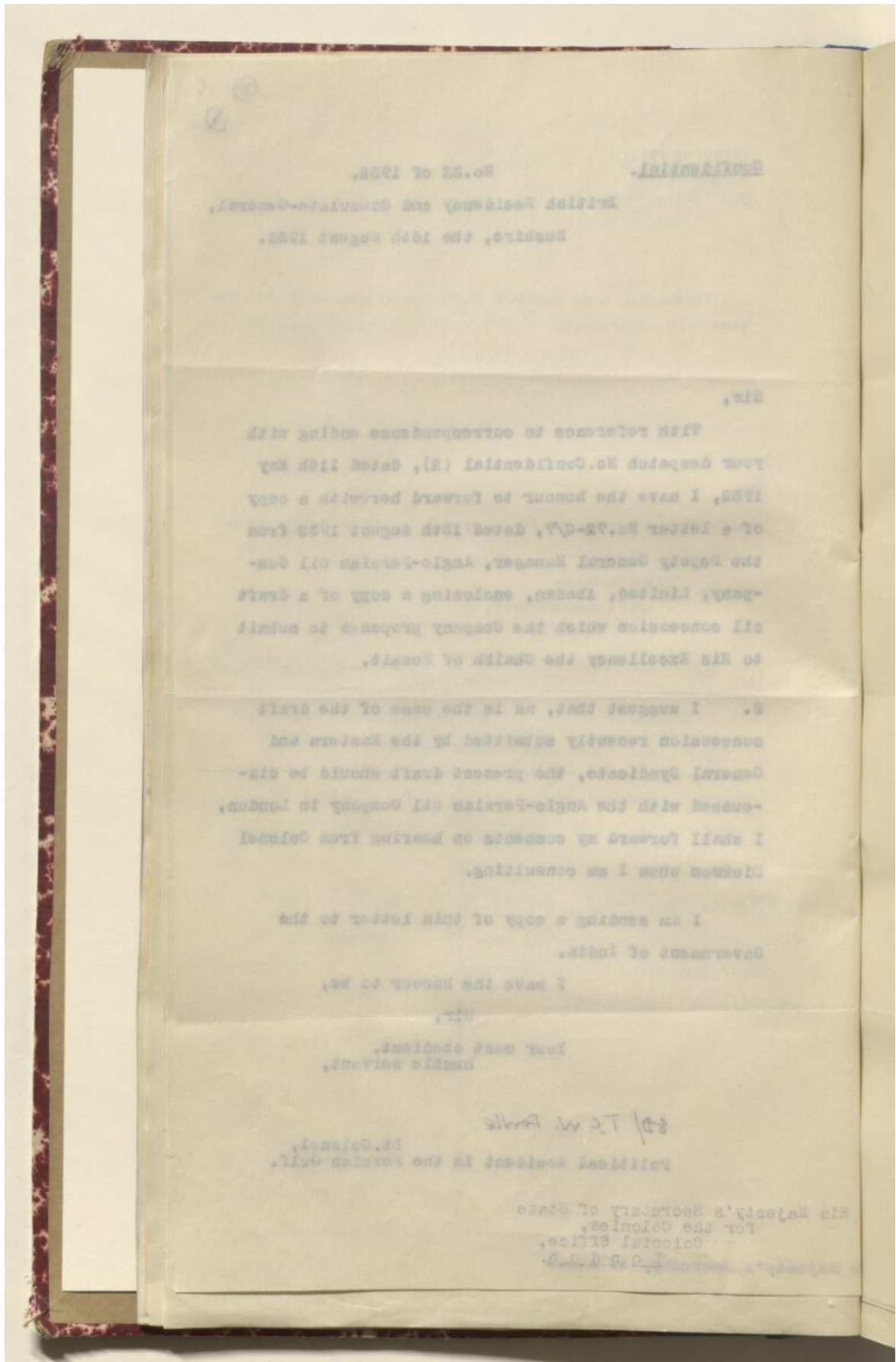
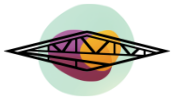
Dated.....15th August 1932.

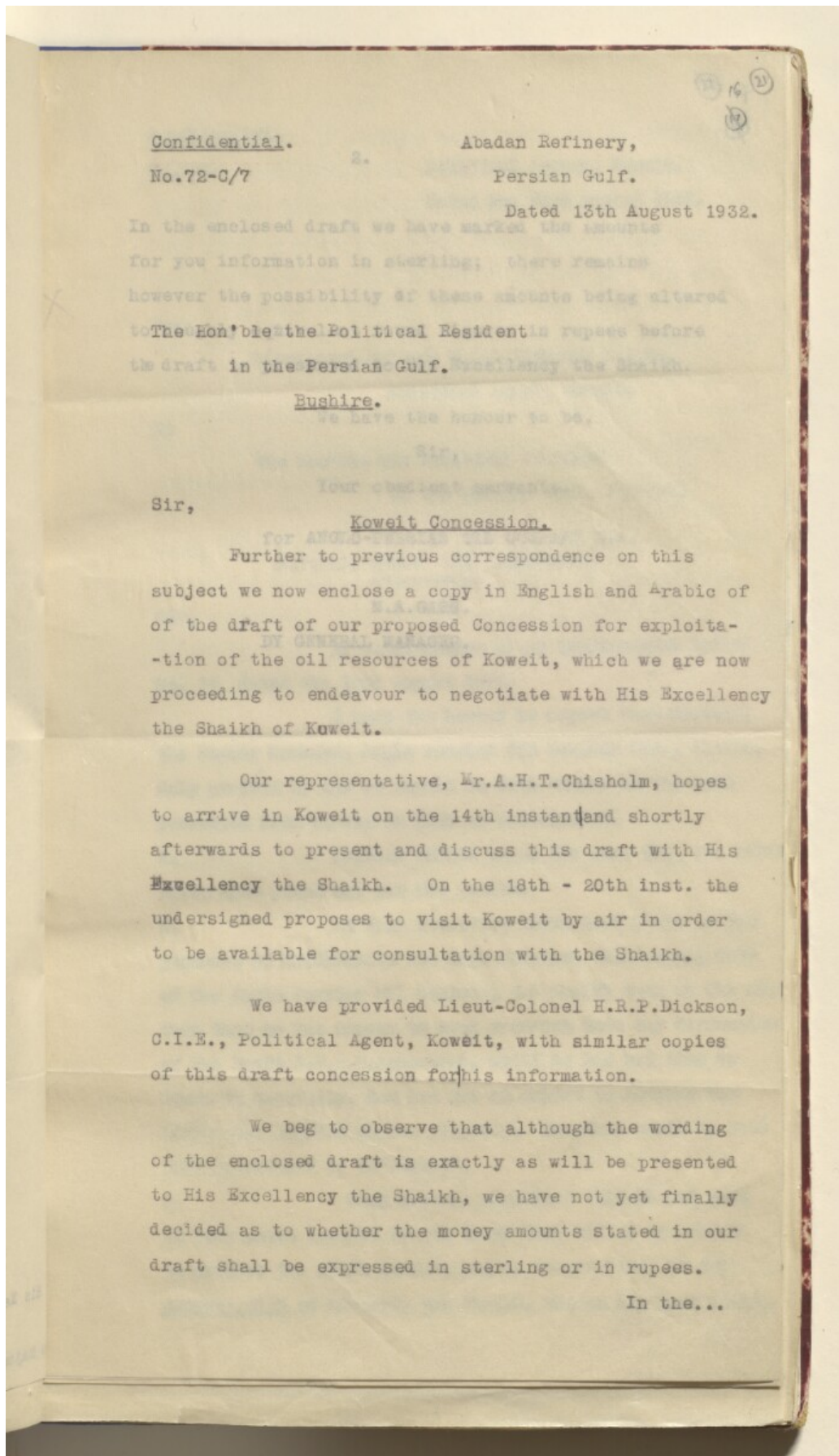
Your letter No94, Reference to previous correspondence :
dated 18th June 1932.

Name and Date.	Subject.
Resident's despatch No. 32, dated 15th August 1932., to H.M.'s Sec- -retary-of State for the Colonies, London, with enclosures.	Kuwait oil.









Confidential.

No.72-G/7

Abadan Refinery,

Persian Gulf.

Dated 13th August 1932.

In the enclosed draft we have marked the amounts for you information in sterling; there remains however the possibility of these amounts being altered to The Hon'ble the Political Resident in rupees before the draft in the Persian Gulf. Excellency the Shaikh.

Bushire.

Sir,

Koweit Concession.

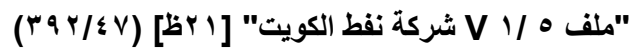
Further to previous correspondence on this subject we now enclose a copy in English and Arabic of the draft of our proposed Concession for exploitation of the oil resources of Koweit, which we are now proceeding to endeavour to negotiate with His Excellency the Shaikh of Koweit.

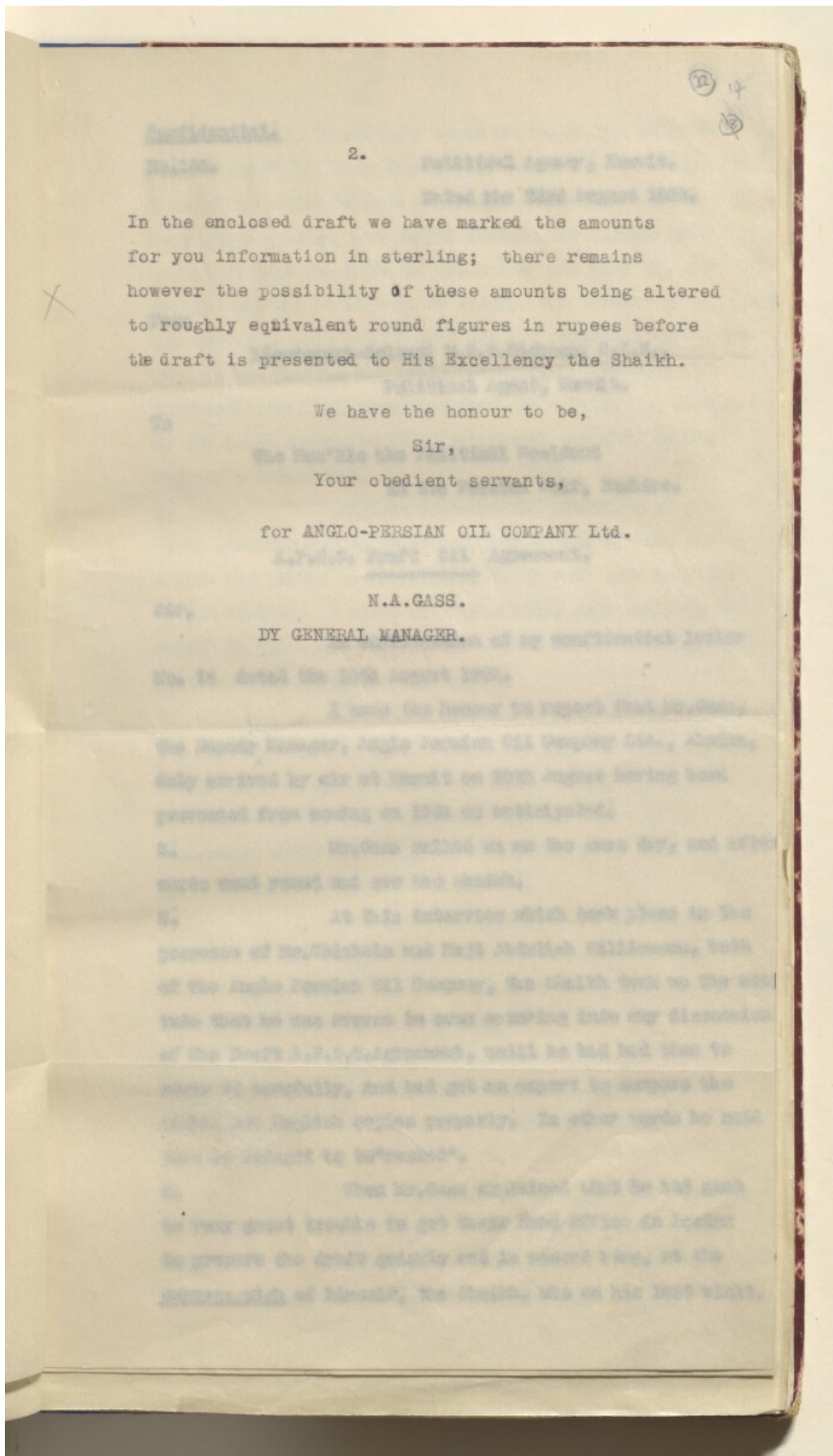
Our representative, Mr.A.H.T.Chisholm, hopes to arrive in Koweit on the 14th instant and shortly afterwards to present and discuss this draft with His Excellency the Shaikh. On the 18th - 20th inst. the undersigned proposes to visit Koweit by air in order to be available for consultation with the Shaikh.

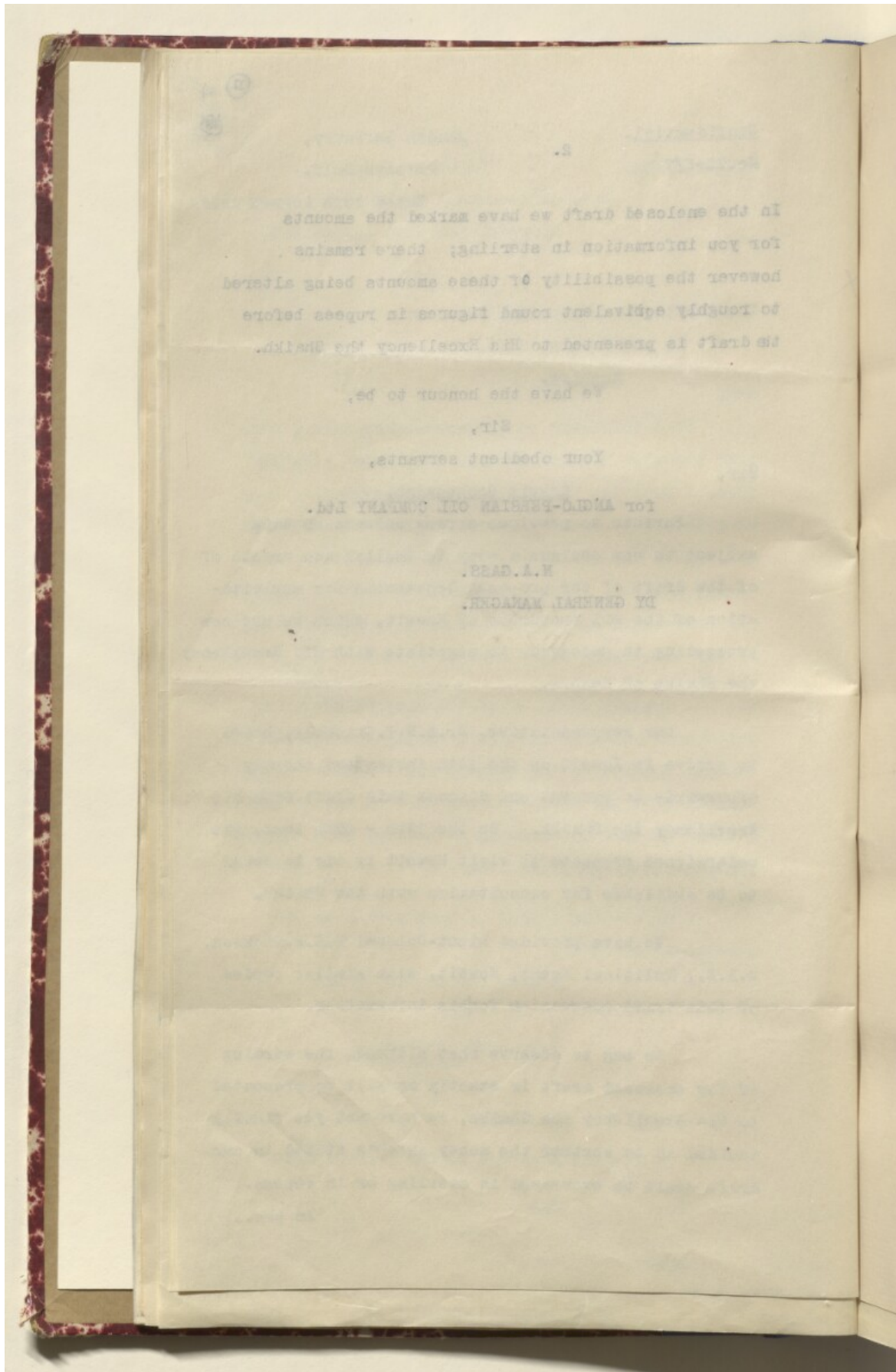
We have provided Lieut-Colonel H.R.P.Dickson, C.I.E., Political Agent, Koweit, with similar copies of this draft concession for his information.

We beg to observe that although the wording of the enclosed draft is exactly as will be presented to His Excellency the Shaikh, we have not yet finally decided as to whether the money amounts stated in our draft shall be expressed in sterling or in rupees.

In the...







Confidential.

No.146.

Political Agency, Kuwait.

Dated the 23rd August 1932.

From

Lieutenant-Colonel H.R.P. Dickson, C.I.E.,

Political Agent, Kuwait.

To

The Hon'ble the Political Resident

in the Persian Gulf, Bushire.

A.P.O.C. Draft Oil Agreement.

Sir,

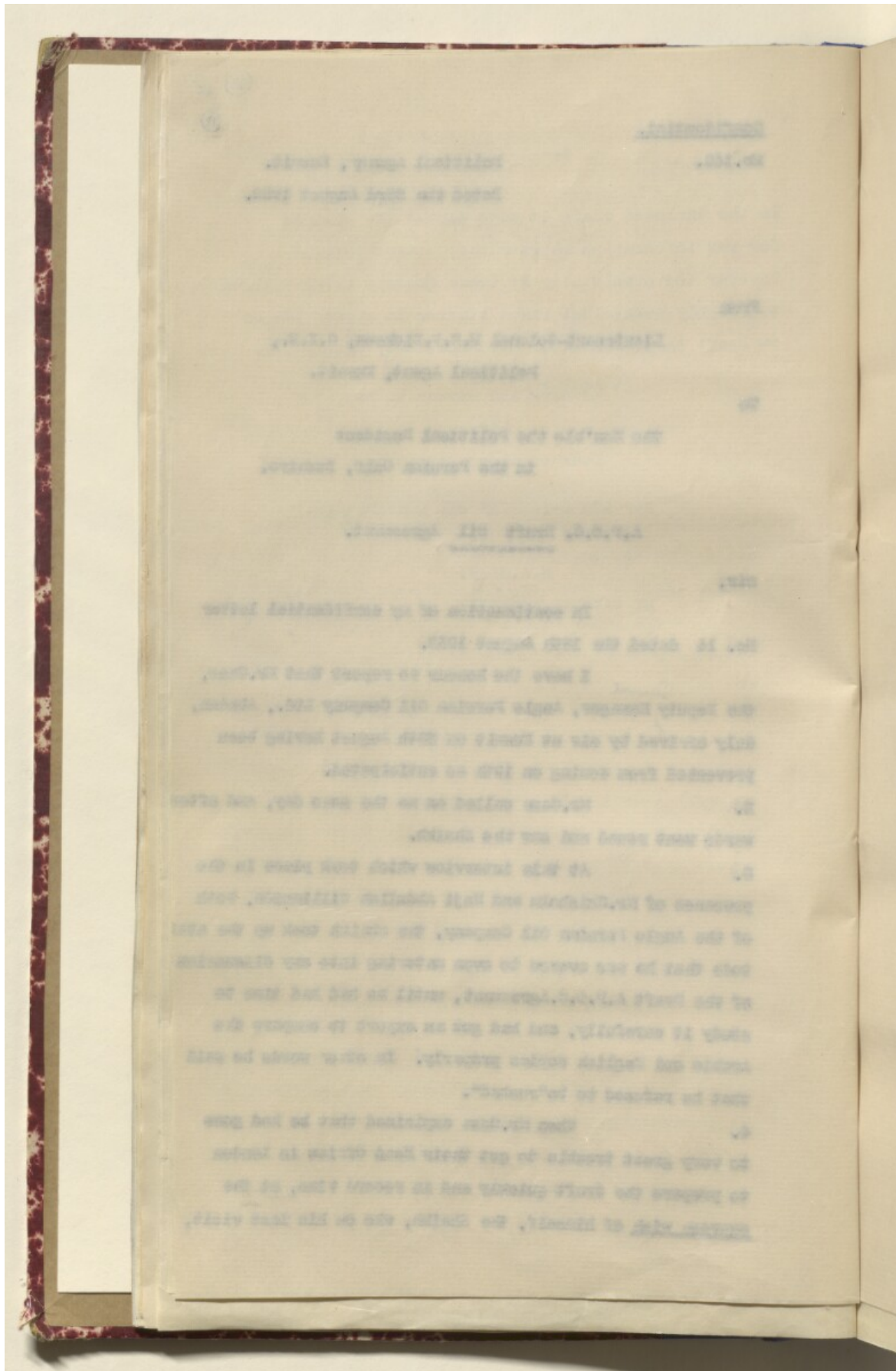
In continuation of my confidential letter No. 14 dated the 18th August 1932.

I have the honour to report that Mr. Cass, the Deputy Manager, Anglo Persian Oil Company Ltd., Abadan, duly arrived by air at Kuwait on 20th August having been prevented from coming on 19th as anticipated.

2. Mr. Cass called on me the same day, and afterwards went round and saw the Shaikh.

3. At this interview which took place in the presence of Mr. Chisholm and Haji Abdullah Williamson, both of the Anglo Persian Oil Company, the Shaikh took up the attitude that he was averse to even entering into any discussion of the Draft A.P.O.C. Agreement, until he had had time to study it carefully, and had got an expert to compare the Arabic and English copies properly. In other words he said that he refused to be "rushed".

4. When Mr. Cass explained that he had gone to very great trouble to get their Head Office in London to prepare the draft quickly and in record time, at the express wish of himself, the Shaikh, who on his last visit,



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visit, had himself strongly urged haste, on the plea that Major Holmes' draft agreement was already in his hands, and that if the Anglo Persian Oil Company wished to complete they must hurry up also, the Shaikh changed his tactics and explained that the truth of the matter was that he, the Shaikh, was not at liberty to discuss the details of the draft agreement, or even put forward his own proposals until such time as the Hon'ble the Political Resident, through the Political Agent had intimated that the wording and details of the draft agreement had his approval and that of His Majesty's Government.

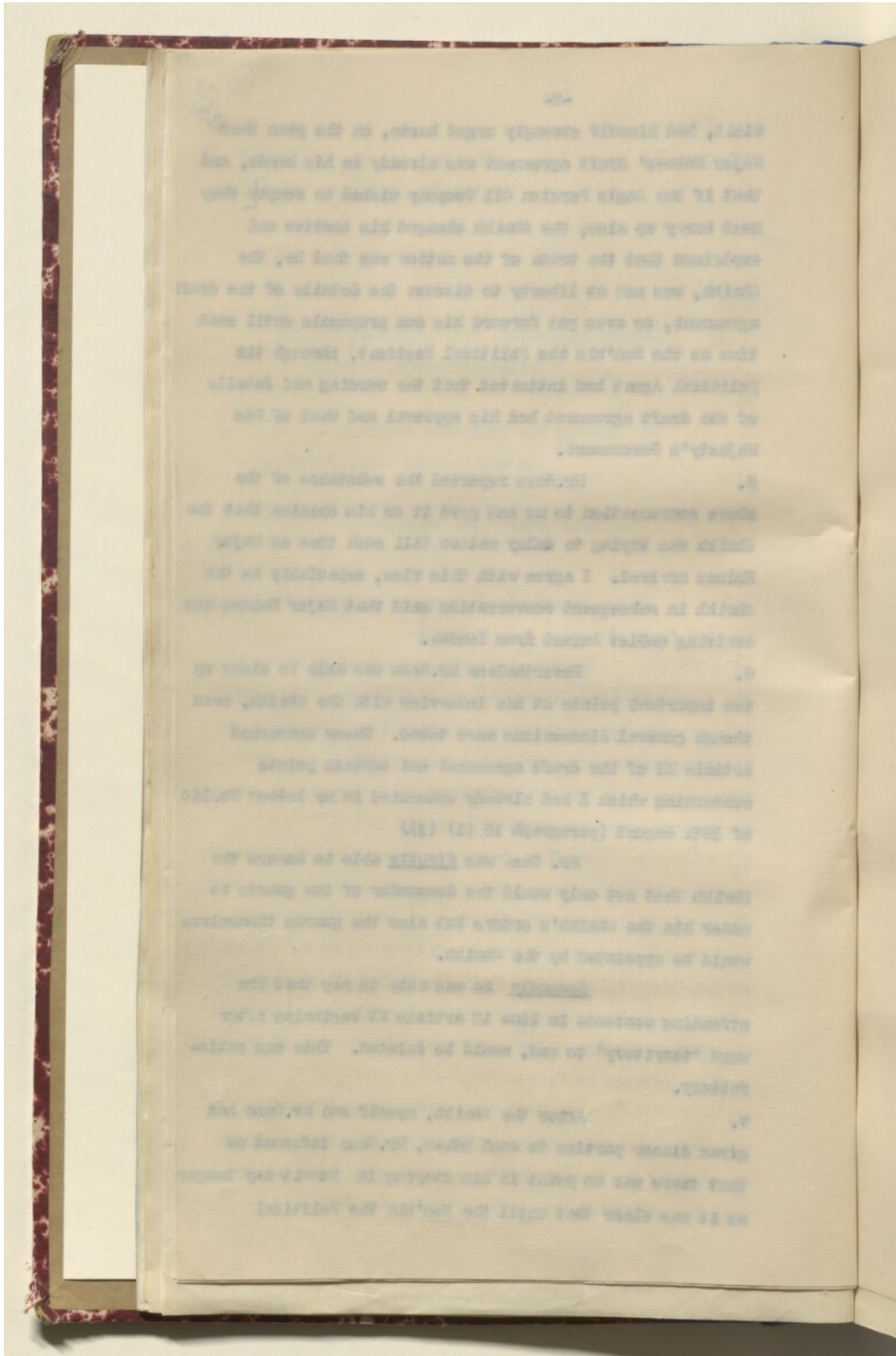
5. Mr. Cass reported the substance of the above conversation to me and gave it as his opinion that the Shaikh was trying to delay matter till such time as Major Holmes arrived. I agree with this view, especially as the Shaikh in subsequent conversation said that Major Holmes was arriving on 31st August from London.

6. Nevertheless Mr. Cass was able to clear up two important points at his interview with the Shaikh, even though general discussions were taboo. These concerned article XI of the draft agreement and certain points concerning which I had already commented in my letter No. 140 of 16th August (paragraph 15 (1) (j)).

Mr. Cass was firstly able to assure the Shaikh that not only would the Commander of the guards be under his the Shaikh's orders but also the guards themselves would be appointed by the Shaikh.

Secondly he was able to say that the offending sentence in line 13 article XI beginning after word "territory" to end, would be deleted. This was satisfactory.

7. After the Shaikh, myself and Mr. Cass had given dinner parties to each other, Mr. Cass informed me that there was no point in his staying in Kuwait any longer as it was clear that until the Hon'ble the Political



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(21)

Political Resident told the Shaikh that he could go ahead, and discuss the draft agreement with himself and Mr. Chisholm, the latter would continue to "dig his heels" in, and not cooperate.

Mr. Cass thereupon left by air for Abadan on the morning of 22nd August.

6. Actually before his departure Mr. Cass called on me and we discussed the various points alterations and additions which I had suggested in my letter No. 14 of 18th August.

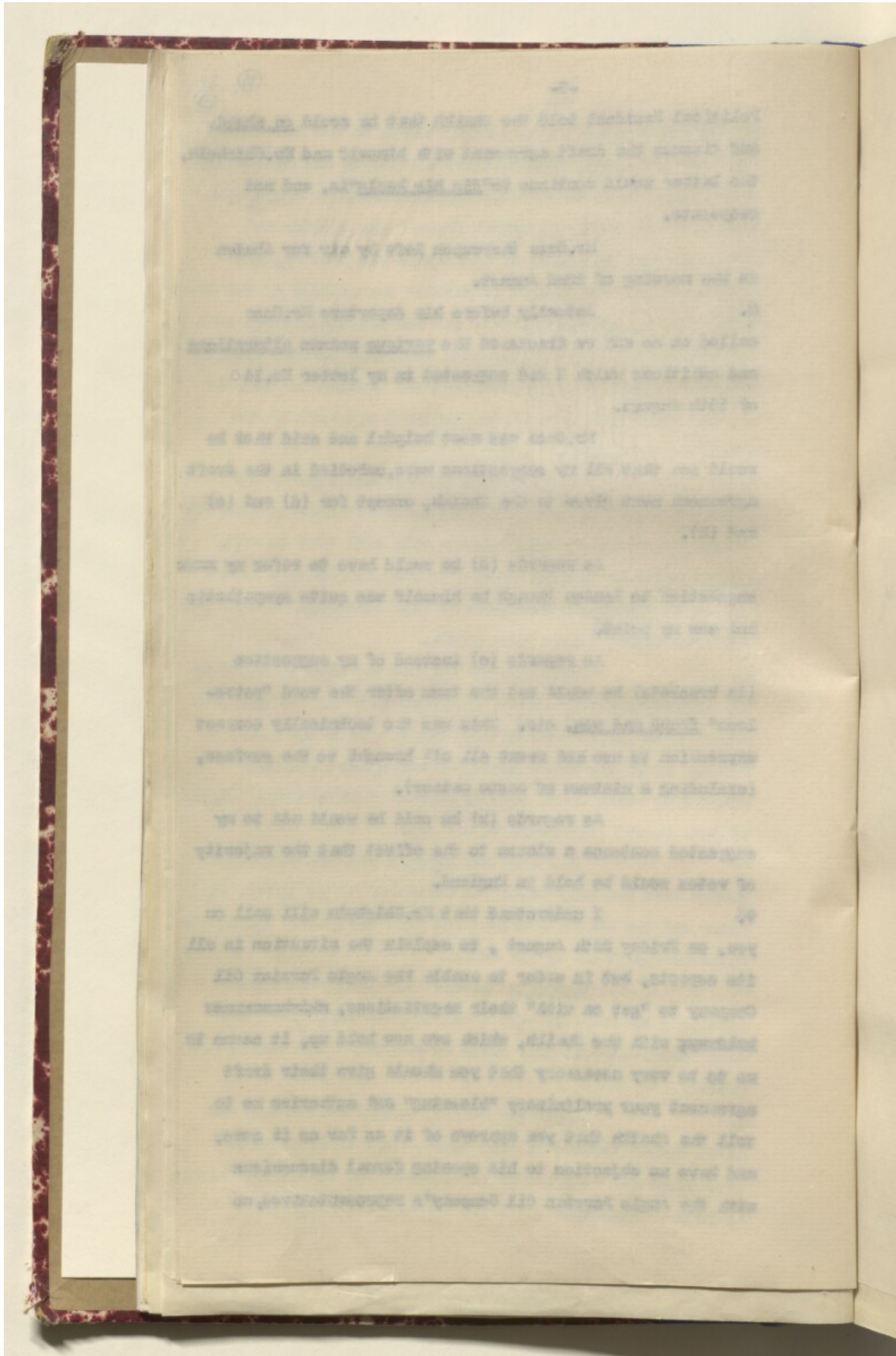
Mr. Cass was most helpful and said that he would see that all my suggestions were embodied in the draft agreement next given to the Shaikh, except for (d) and (e) and (k).

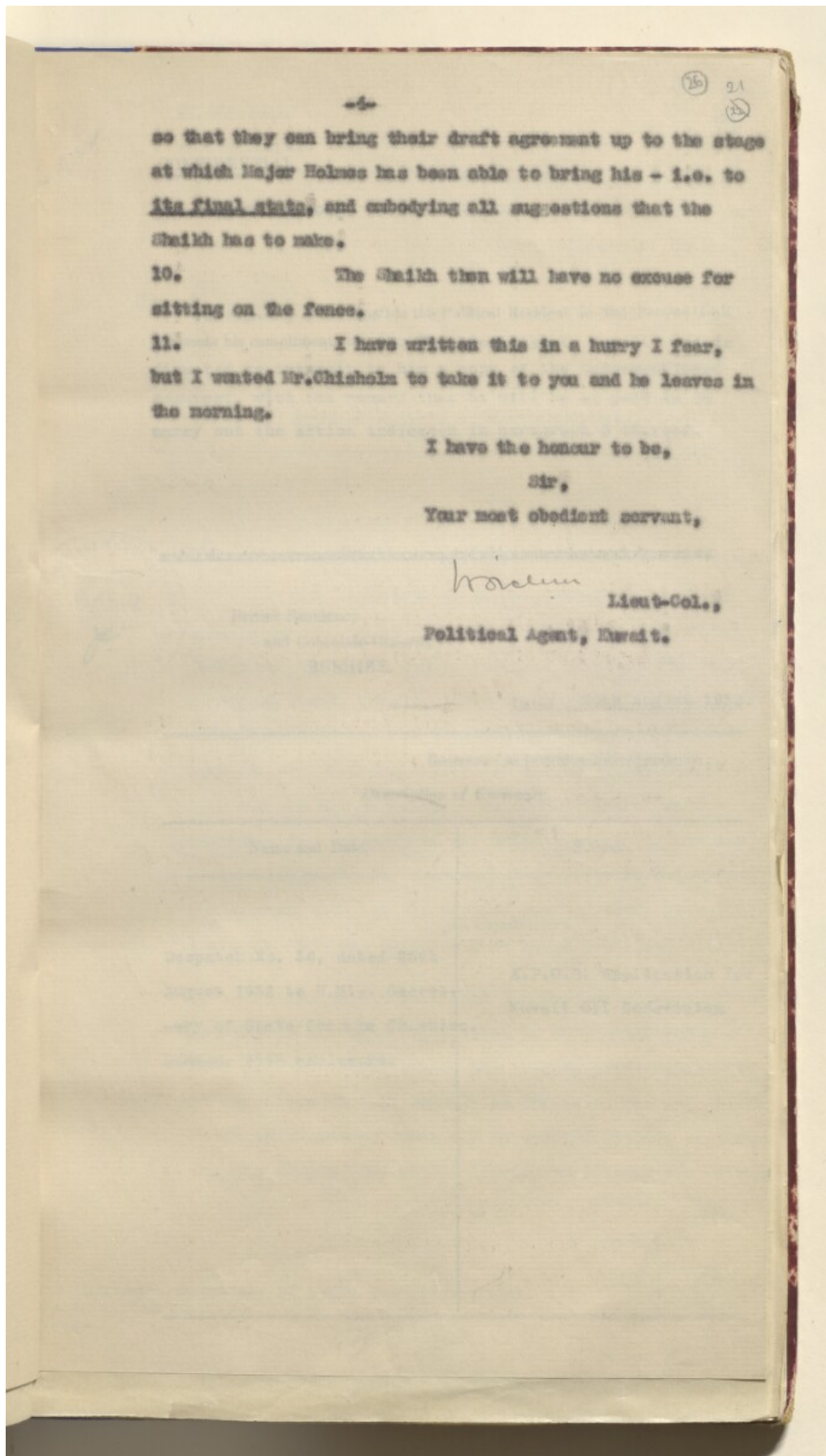
As regards (d) he would have to refer my suggestion to London though he himself was quite sympathetic and saw my point.

As regards (e) instead of my suggestion (in brackets) he would use the term after the word "petroleum" found and won, etc. This was the technically correct expression to use and meant all oil brought to the surface, (excluding a minimum of waste matter).

As regards (k) he said he would add to my suggested sentence a clause to the effect that the majority of votes would be held in England.

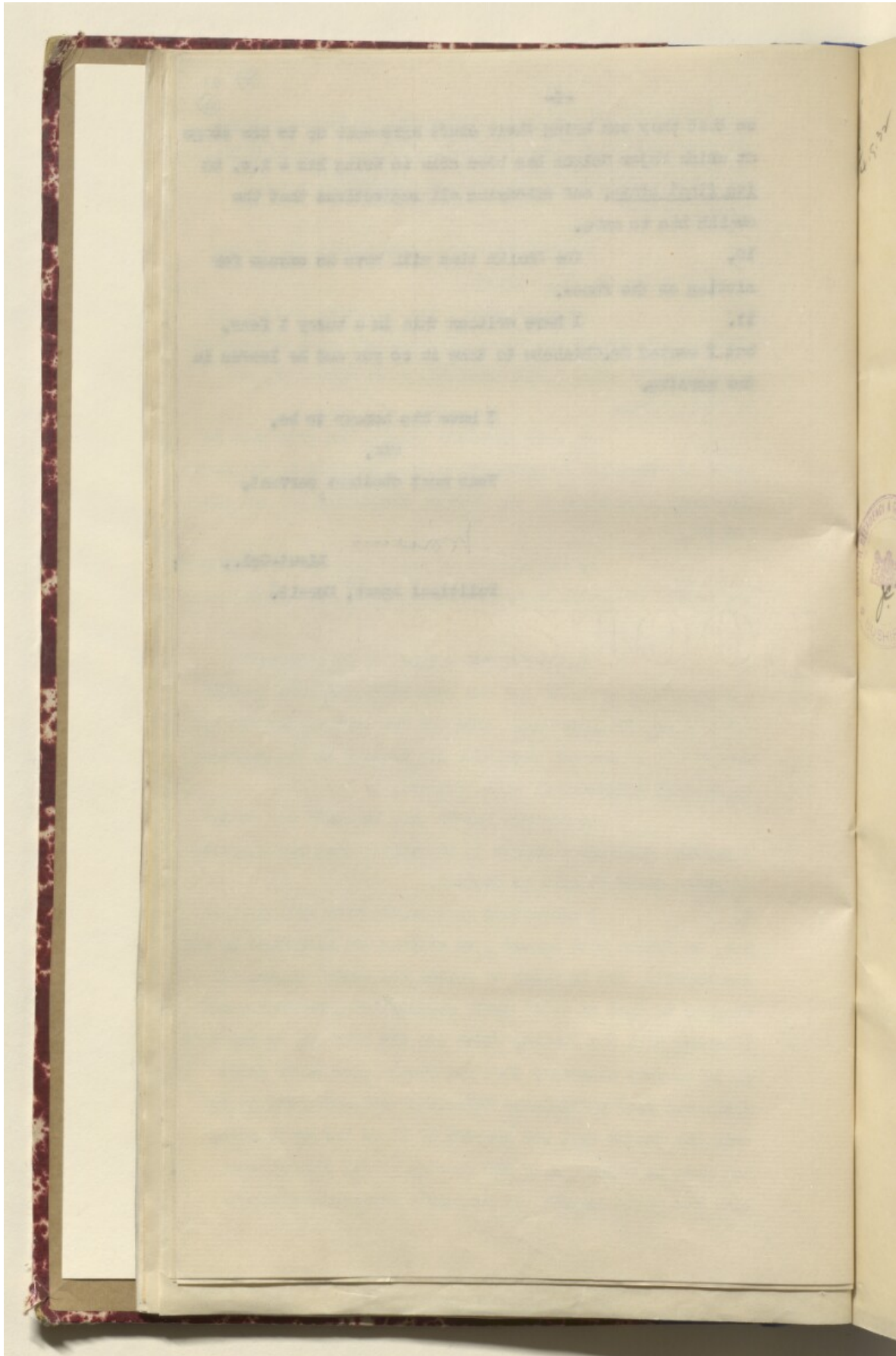
9. I understand that Mr. Chisholm will call on you, on Friday 26th August, to explain the situation in all its aspects, but in order to enable the Anglo Persian Oil Company to "get on with" their negotiations, ~~which are now held up~~ with the Shaikh, which are now held up, it seems to me to be very necessary that you should give their draft agreement your preliminary "blessing" and authorize me to tell the Shaikh that you approve of it as far as it goes, and have no objection to his opening formal discussions with the Anglo Persian Oil Company's representatives, so







"ملف ٥ / ١٧ شركة نفط الكويت" [٢٦ ظ] (٣٩٢/٥٧)





4.5.32

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CONFIDENTIAL.

No. 616-S. of 1932.

The Secretary to the Hon'ble the Political Resident in the Persian Gulf presents his compliments to the Political Agent, Kuwait, and is directed to transmit to him a copy of the undermentioned document, with the remark that he will be so good as to carry out the action indicated in paragraph 6 thereof.

~~and directed to transmit to him a copy of the undermentioned document~~

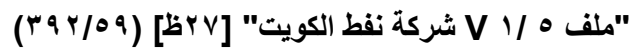
British Residency
and Consulate-General,
BUSHIRE.

Dated.....26th August 1932.

Reference to previous correspondence:

Description of Enclosure.

Name and Date.	Subject.
Despatch No. 36, dated 25th August 1932 to H.M's. Secretary of State for the Colonies, London, with enclosure.	A.P.O.C. application for Kuwait Oil Concession





By Air Mail.

Confidential.

British Residency and Consulate-General,
Bushire, the 25th August 1932.

No. 36 of 1932.

Anglo-Persian Oil Company Oil Concession
in Kuwait.

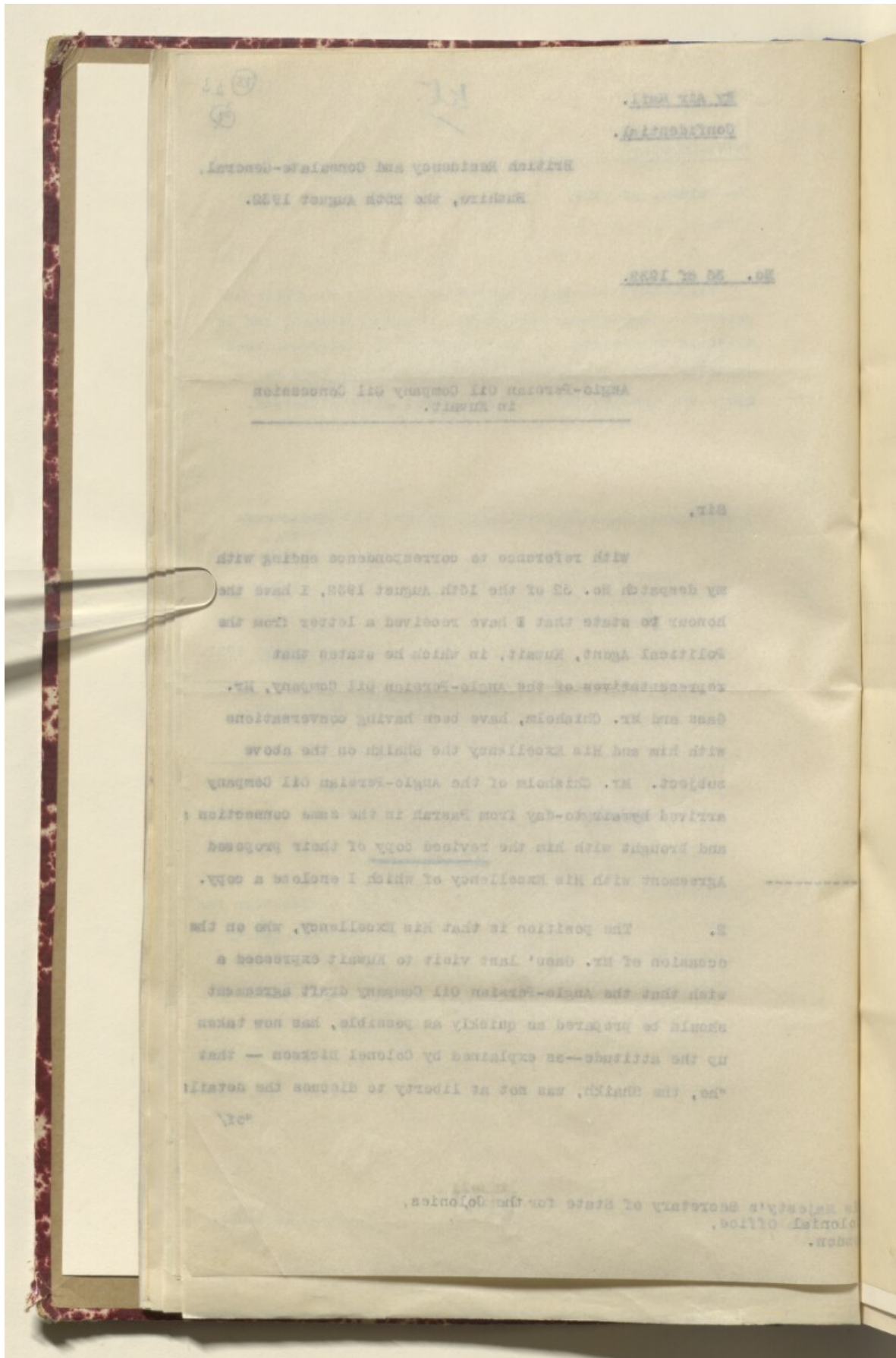
Sir,

With reference to correspondence ending with my despatch No. 32 of the 16th August 1932, I have the honour to state that I have received a letter from the Political Agent, Kuwait, in which he states that representatives of the Anglo-Persian Oil Company, Mr. Gass and Mr. Chisholm, have been having conversations with him and His Excellency the Shaikh on the above subject. Mr. Chisholm of the Anglo-Persian Oil Company arrived by air to-day from Basrah in the same connection and brought with him the revised copy of their proposed Agreement with His Excellency of which I enclose a copy.

2. The position is that His Excellency, who on the occasion of Mr. Gass' last visit to Kuwait expressed a wish that the Anglo-Persian Oil Company draft agreement should be prepared as quickly as possible, has now taken up the attitude—as explained by Colonel Dickson — that "he, the Shaikh, was not at liberty to discuss the detail

"of/

is Majesty's Secretary of State for the Colonies,
Colonial Office,
London.





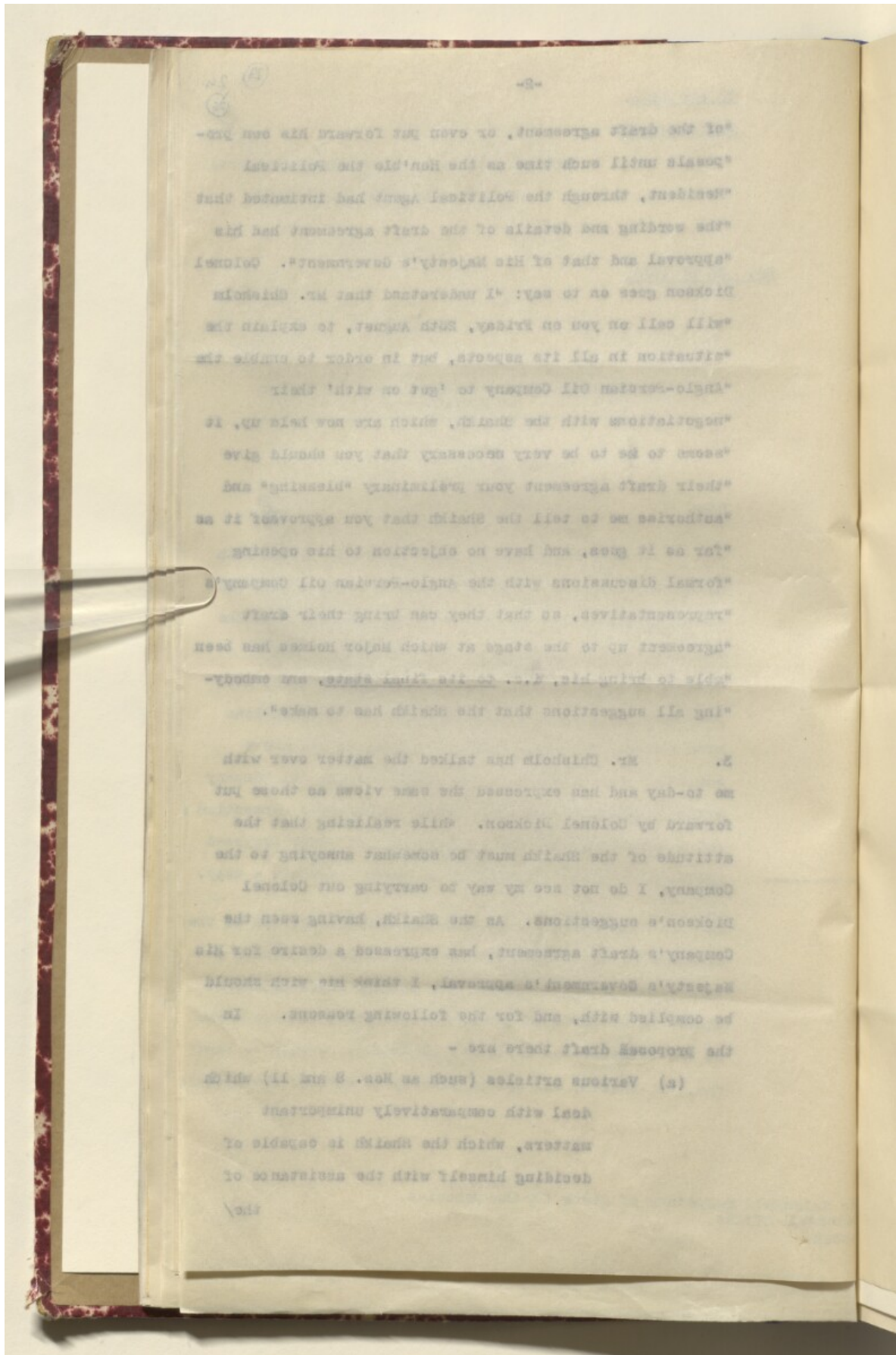
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"of the draft agreement, or even put forward his own proposals until such time as the Hon'ble the Political Resident, through the Political Agent had intimated that the wording and details of the draft agreement had his approval and that of His Majesty's Government". Colonel Dickson goes on to say: "I understand that Mr. Chisholm will call on you on Friday, 26th August, to explain the situation in all its aspects, but in order to enable the Anglo-Persian Oil Company to 'get on with' their negotiations with the Shaikh, which are now held up, it seems to me to be very necessary that you should give their draft agreement your preliminary "blessing" and authorise me to tell the Shaikh that you approve of it as far as it goes, and have no objection to his opening formal discussions with the Anglo-Persian Oil Company's representatives, so that they can bring their draft agreement up to the stage at which Major Holmes has been able to bring his, i.e. to its final state, and embodying all suggestions that the Shaikh has to make".

3. Mr. Chisholm has talked the matter over with me to-day and has expressed the same views as those put forward by Colonel Dickson. While realising that the attitude of the Shaikh must be somewhat annoying to the Company, I do not see my way to carrying out Colonel Dickson's suggestions. As the Shaikh, having seen the Company's draft agreement, has expressed a desire for His Majesty's Government's approval, I think his wish should be complied with, and for the following reasons. In the proposed draft there are -

- (a) Various articles (such as Nos. 8 and 11) which deal with comparatively unimportant matters, which the Shaikh is capable of deciding himself with the assistance of the/





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the Political Agent and the Political Resident in direct communication with the Company;

- (b) Other articles (such as Nos. 1, 6 and 13) which cover matters of political importance to His Majesty's Government;
- (c) Articles of a technical or financial nature (such as those mentioned in articles 2 to 5, 7 and 9) regarding which the Shaikh is unable to look after his own interests without expert advice from His Majesty's Government.

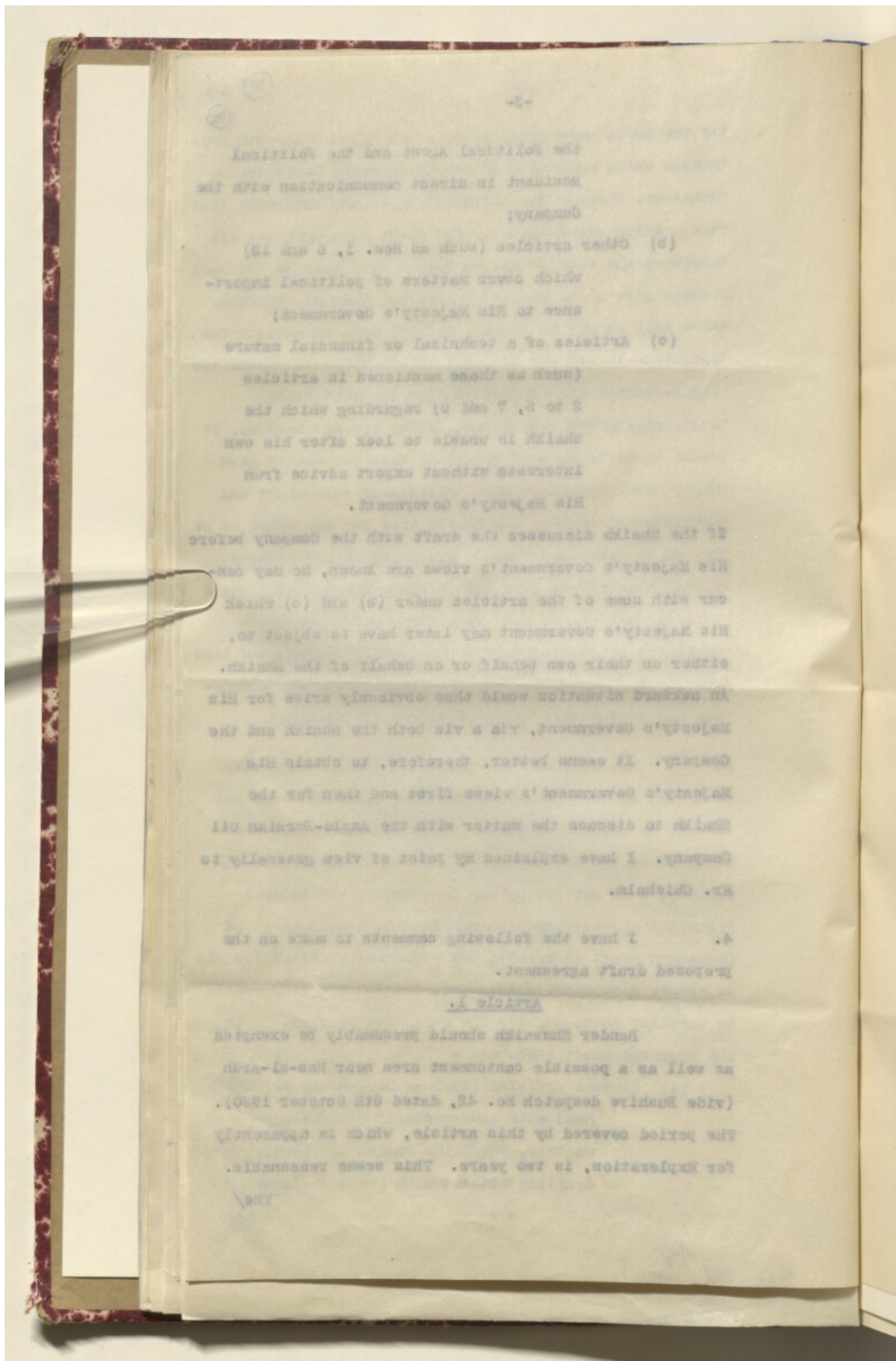
If the Shaikh discusses the draft with the Company before His Majesty's Government's views are known, he may concur with some of the articles under (b) and (c) which His Majesty's Government may later have to object to, either on their own behalf or on behalf of the Shaikh. An awkward situation would thus obviously arise for His Majesty's Government, vis a vis both the Shaikh and the Company. It seems better, therefore, to obtain His Majesty's Government's views first and then for the Shaikh to discuss the matter with the Anglo-Persian Oil Company. I have explained my point of view generally to Mr. Chisholm.

4. I have the following comments to make on the proposed draft agreement.

Article 1.

Bander Shuwaikh should presumably be exempted as well as a possible cantonment area near Ras-al-Ardh (vide Bushire despatch No. 42, dated 6th October 1930). The period covered by this article, which is apparently for Exploration, is two years. This seems reasonable.

The/





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The extent covered is the whole territory. No depth of boring is laid down. I do not know whether this is an important point or not. I believe it is sometimes customary to limit the depth of boring during the period of exploration to twenty feet.

Article 2.

No comments.

Article 3.

Here Prospecting apparently begins. The period is two years. No areas are specified. Sometimes, I believe, a certain number of areas are chosen by the licensee.

Article 4.

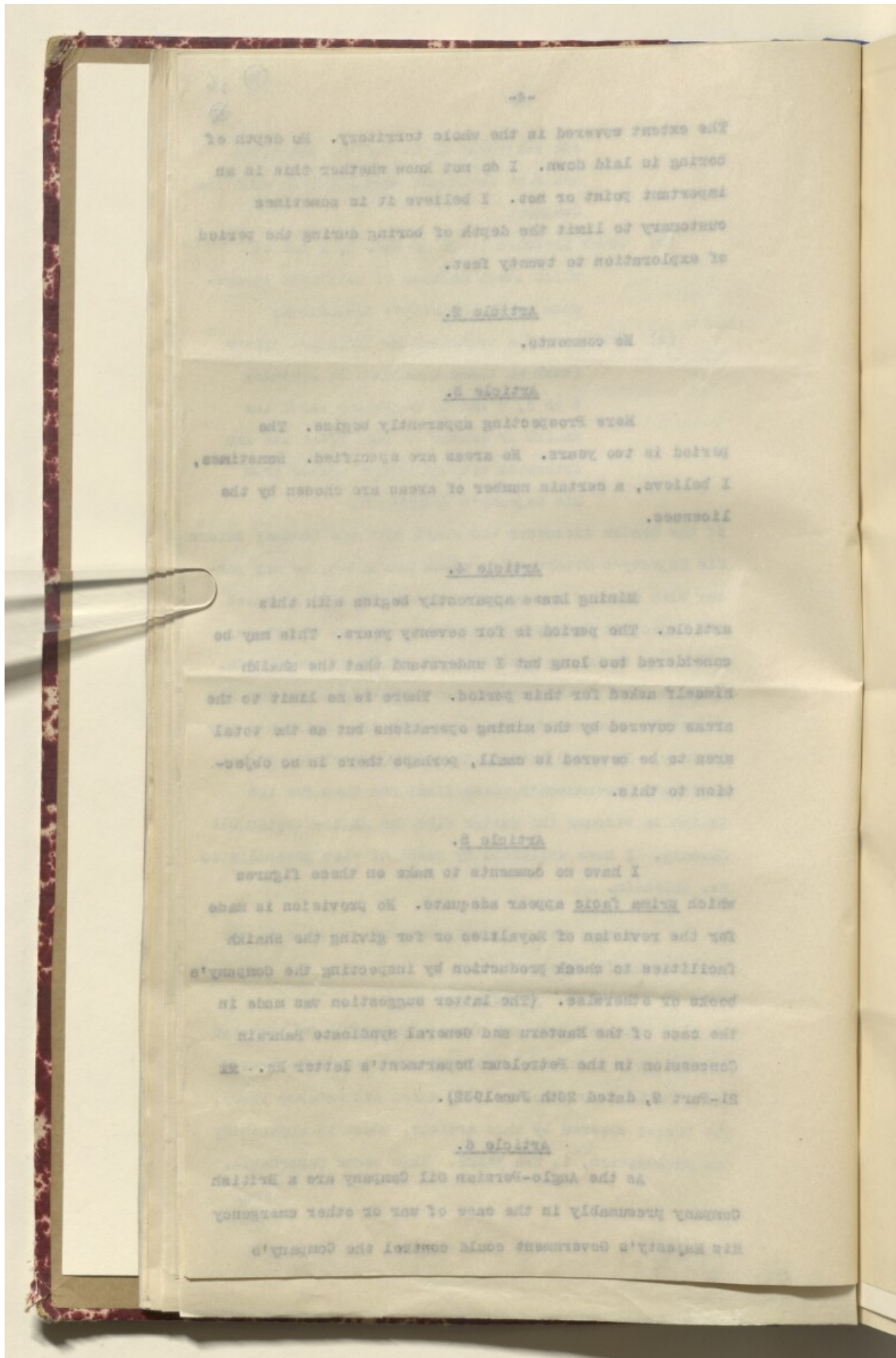
Mining Lease apparently begins with this article. The period is for seventy years. This may be considered too long but I understand that the Shaikh himself asked for this period. There is no limit to the areas covered by the mining operations but as the total area to be covered is small, perhaps there is no objection to this.

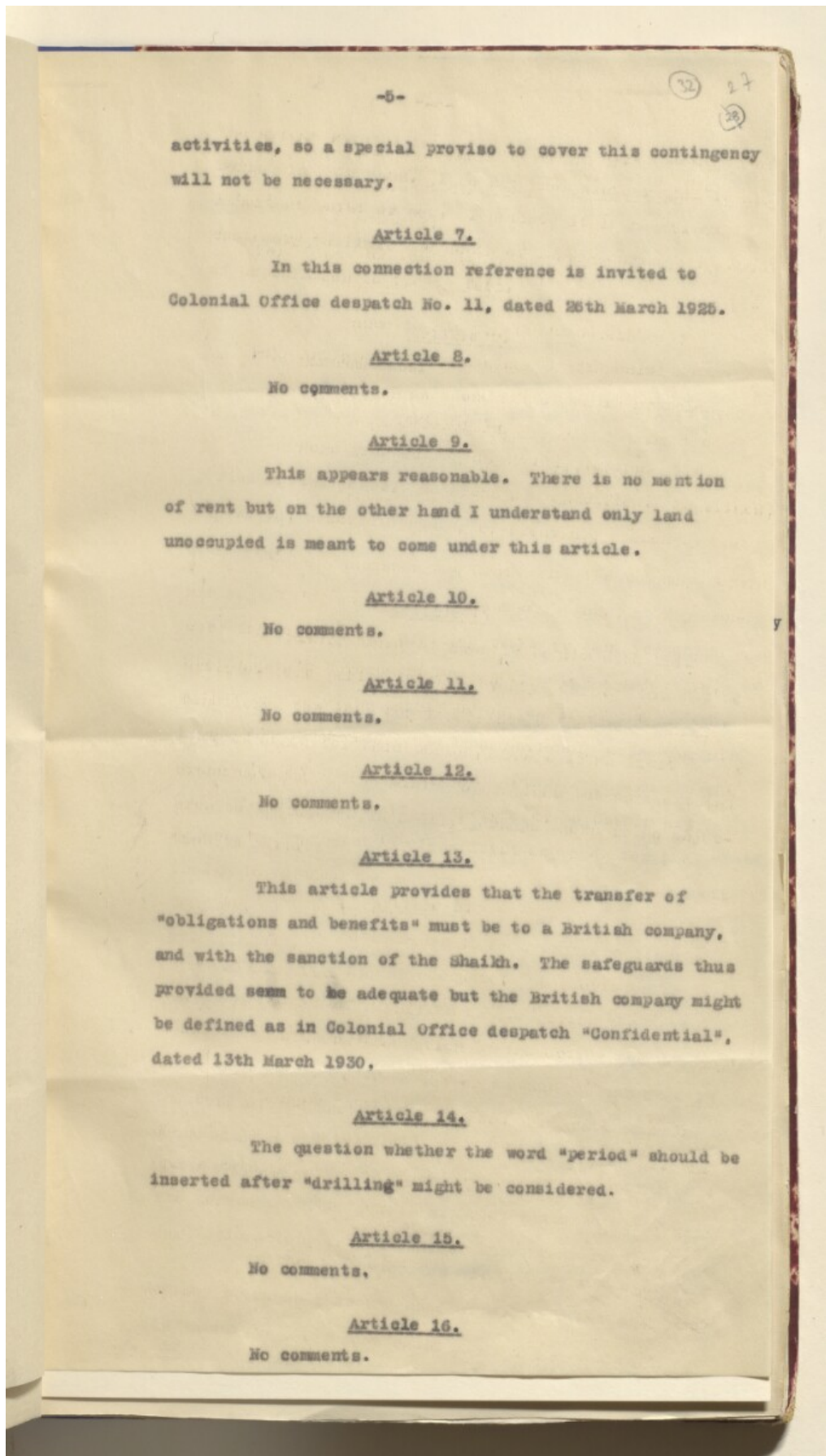
Article 5.

I have no comments to make on these figures which prima facie appear adequate. No provision is made for the revision of Royalties or for giving the Shaikh facilities to check production by inspecting the Company's books or otherwise. (The latter suggestion was made in the case of the Eastern and General Syndicate Bahrain Concession in the Petroleum Department's letter No. 21-Part 2, dated 20th June 1932).

Article 6.

As the Anglo-Persian Oil Company are a British Company presumably in the case of war or other emergency His Majesty's Government could control the Company's





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activities, so a special proviso to cover this contingency will not be necessary.

Article 7.

In this connection reference is invited to Colonial Office despatch No. 11, dated 26th March 1926.

Article 8.

No comments.

Article 9.

This appears reasonable. There is no mention of rent but on the other hand I understand only land unoccupied is meant to come under this article.

Article 10.

No comments.

Article 11.

No comments.

Article 12.

No comments.

Article 13.

This article provides that the transfer of "obligations and benefits" must be to a British company, and with the sanction of the Shaikh. The safeguards thus provided seem to be adequate but the British company might be defined as in Colonial Office despatch "Confidential", dated 13th March 1930.

Article 14.

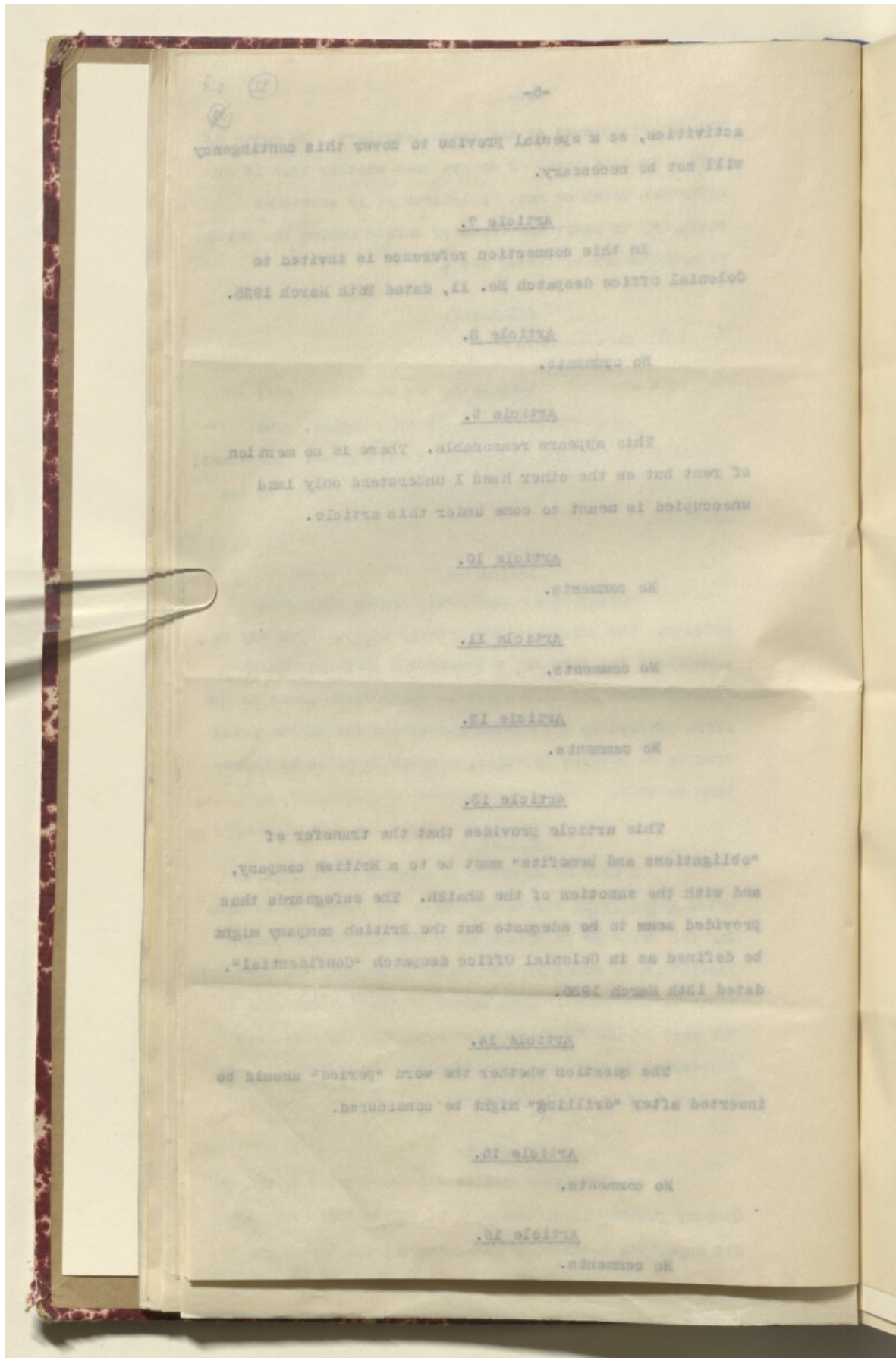
The question whether the word "period" should be inserted after "drilling" might be considered.

Article 15.

No comments.

Article 16.

No comments.



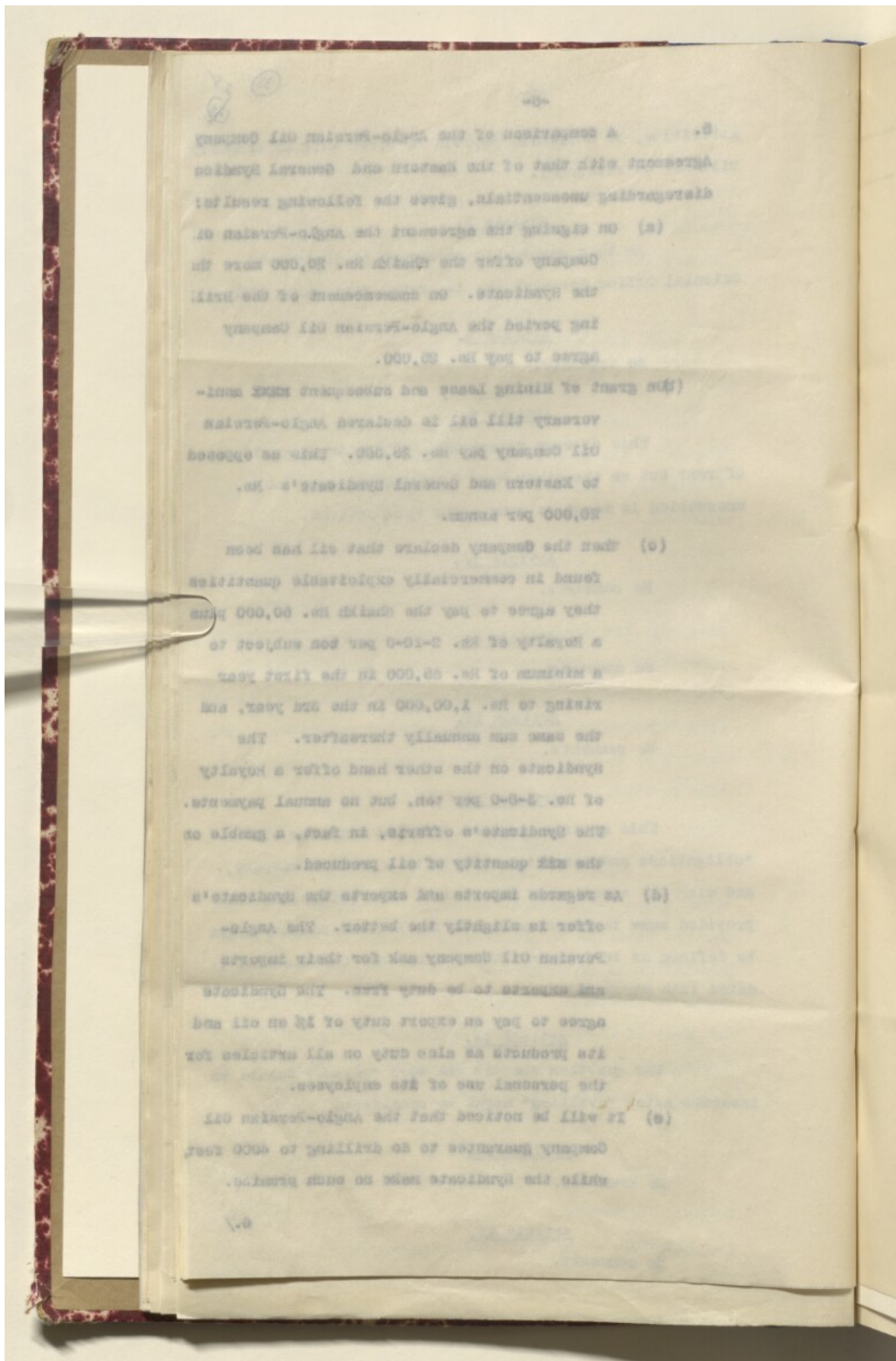


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5. A comparison of the Anglo-Persian Oil Company Agreement with that of the Eastern and General Syndicate disregarding unessentials, gives the following results:

- (a) On signing the agreement the Anglo-Persian Oil Company offer the Shaikh Rs. 20,000 more than the Syndicate. On commencement of the Drilling period the Anglo-Persian Oil Company agree to pay Rs. 25,000.
- (b) On grant of Mining Lease and subsequent ~~ann~~ anniversary till oil is declared Anglo-Persian Oil Company pay Rs. 25,000. This as opposed to Eastern and General Syndicate's Rs. 20,000 per annum.
- (c) When the Company declare that oil has been found in commercially exploitable quantities they agree to pay the Shaikh Rs. 50,000 plus a Royalty of Rs. 2-10-0 per ton subject to a minimum of Rs. 65,000 in the first year rising to Rs. 1,00,000 in the 3rd year, and the same sum annually thereafter. The Syndicate on the other hand offer a Royalty of Rs. 3-8-0 per ton, but no annual payments. The Syndicate's offer is, in fact, a gamble on the ~~oil~~ quantity of oil produced.
- (d) As regards imports and exports the Syndicate's offer is slightly the better. The Anglo-Persian Oil Company ask for their imports and exports to be duty free. The Syndicate agree to pay an export duty of 1% on oil and its products as also duty on all articles for the personal use of its employees.
- (e) It will be noticed that the Anglo-Persian Oil Company guarantee to go drilling to 4000 feet, while the Syndicate make no such promise.

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6. I would be grateful if I could be informed of the views of His Majesty's Government as soon as possible. The Anglo-Persian Oil Company are slightly nervous that Major Holmes, who is due ~~back~~ in Kuwait at the end of this month, may effect a coup behind their backs. I do not think there is any danger of this but to make sure I am asking Colonel Diskson to make it quite clear to the Shaikh that he should give no reply to any offers that Major Holmes may make until he, the Shaikh, has had an opportunity of studying the Anglo-Persian Oil Company's agreement when it is received back with His Majesty's Government's comments.

I am sending a copy of this despatch to the Foreign Secretary to the Government of India.

I have the honour to be,

Sir,

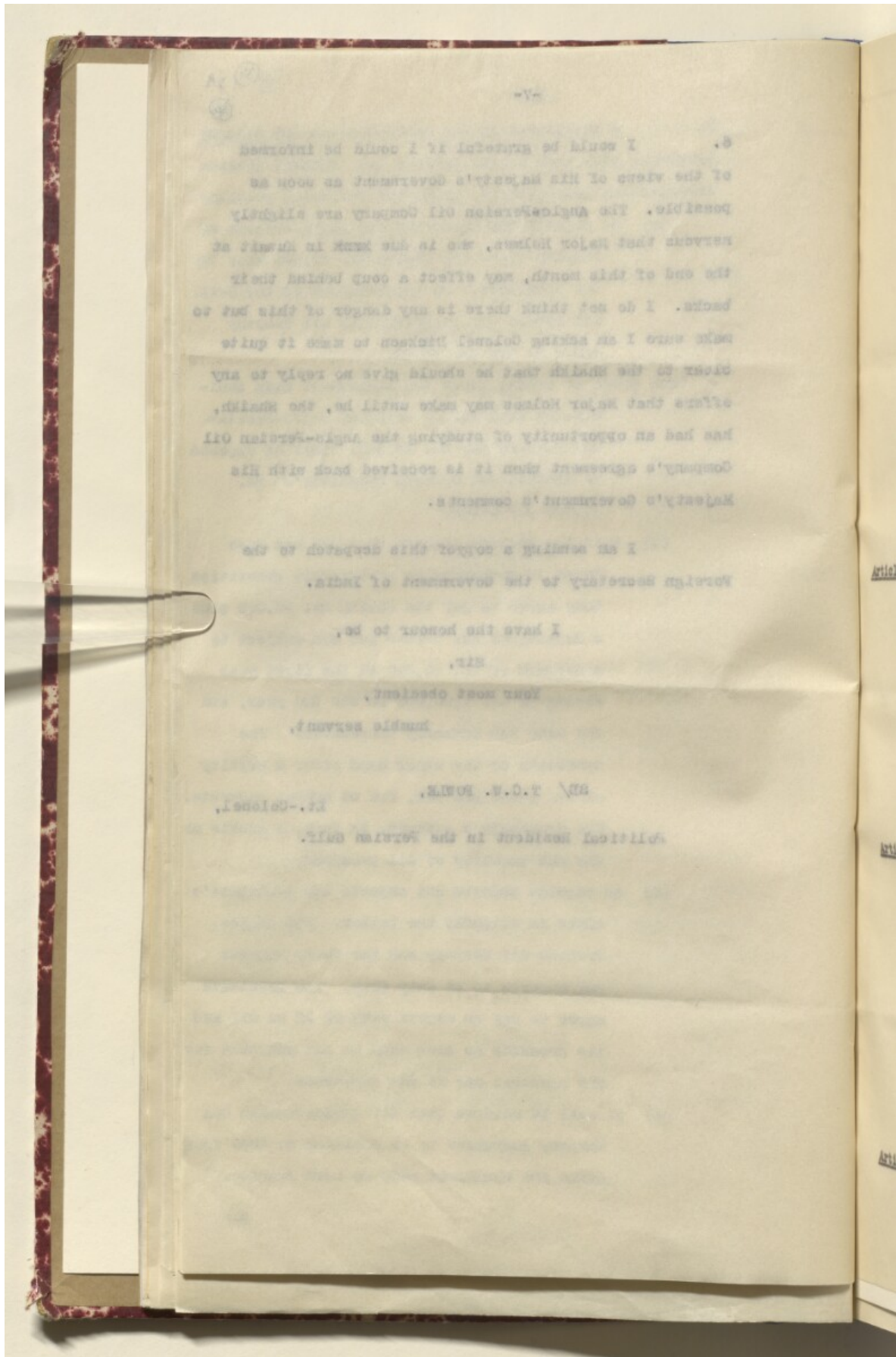
Your most obedient,

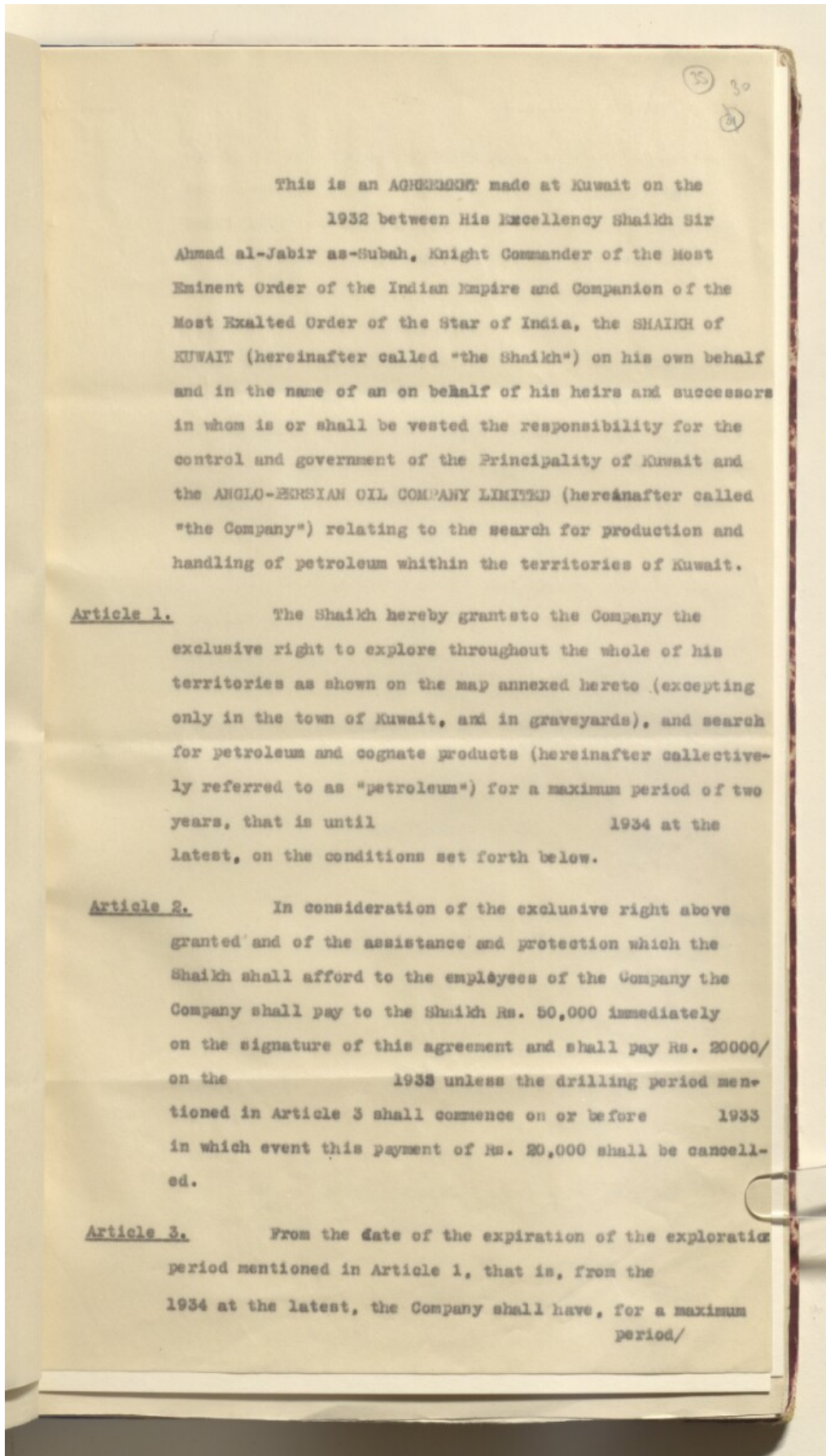
humble servant,

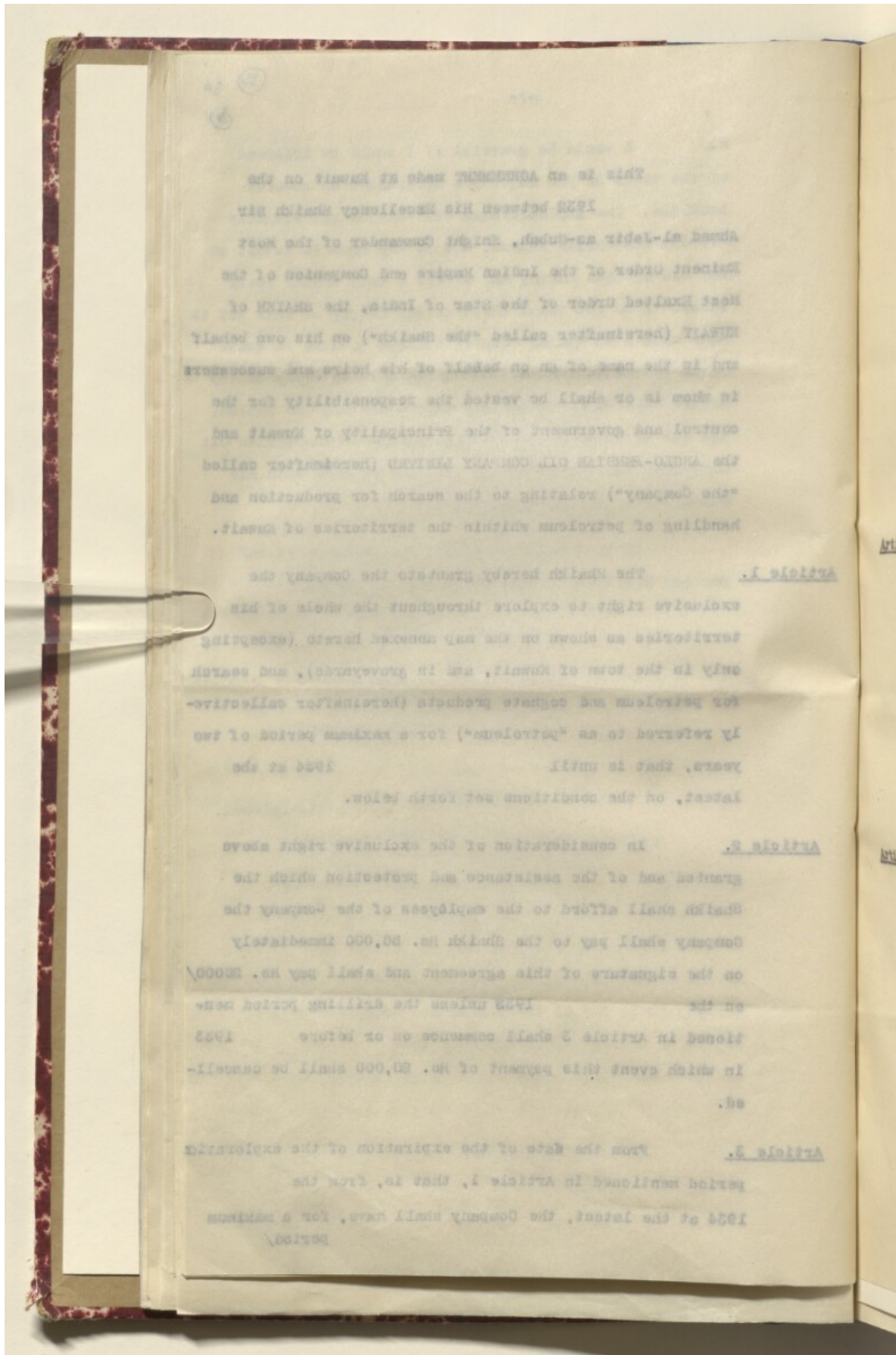
SD/ T.C.W. FOWLE,

Lt.-Colonel,

Political Resident in the Persian Gulf.









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period of two years, the exclusive right to import machinery and workmen for searching for petroleum and shall drill in a workmanlike manner to a total depth overall of at least 4,000 feet at such and so many places as the Company decide, and at the commencement of this drilling period and on the same date in the year immediately succeeding, that is, on the 1934 and on 1935 at the latest, the Company shall pay to the Shaikh Rs. 25,000 in consideration of the exclusive rights above granted and of the assistance and protection which the Shaikh shall afford to the employees of the Company.

Article 4. As from the date of expiration of the drilling period mentioned in Article 3, that is from the 1936 at the latest, the Shaikh undertakes to grant for 70 years to the Company on the request of the Company the exclusive right to search for and produce petroleum (excepting only in the town of Kuwait and in graveyards) and the right to refine petroleum within and to export petroleum from the territories of Kuwait on the conditions set forth below.

Article 5. On the date when the Shaikh grants to the Company the exclusive right mentioned in Article 4, that is on the 1936 at the latest, and on each subsequent anniversary thereof during the currency of this Agreement and pending the declaration set forth below the Company shall pay to the Shaikh Rs. 25,000 or royalty as set forth below, whichever shall be the greater sum. The Company shall pay to the Shaikh a royalty of Rs. 2/10/- for every 1 ton of petroleum which the Company shall produce over and above the petroleum required for its operations hereunder, and so soon as the Company shall declare that petroleum has been found in commercial quantities and/





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and quality the annual payment by the Company to the Shaikh shall be Rs. 50,000 plus the total of the royalty accrued with a minimum payment of Rs. 55,000 in the first year, of Rs. 80,000 in the second year and Rs. 100,000 yearly thereafter, save only in the event of the interruption of the Company's operations hereunder by reason of events outside the control of the Company, in which event payment shall continue to be made at the annual rate of Rs. 25,000.

Article 6. In connection with its operations hereunder the Company shall have the right freely to construct in the territories of Kuwait and to operate power stations, refineries, pipelines and storage tanks, telegraph telephone and wireless installations, roads, railways, tramways, buildings, wharves and jetties ~~xxxx~~ with such lighting as may be requisite and any other works found necessary, and for such purposes to use freely (but not for export) any stone, sand, lime, gypsum, clay or water which may be available and may be required for its operations hereunder. The Company shall at its discretion but in consultation with the Shaikh select the position of any such works. The Company may likewise freely utilise all such means as may be necessary for the effective conduct of its operations hereunder.

Article 7. In consideration of the payments by the Company herein prescribed and to assist in the development of the natural resources of Kuwait the Company shall have the right for the purposes of its operations under this Agreement freely to import or export without any taxes duties or payments to the Shaikh all machinery materials equipment or goods which may be required.

Article 8. The Company shall have the right to import water free and to use local supplies as far as available for its operations/





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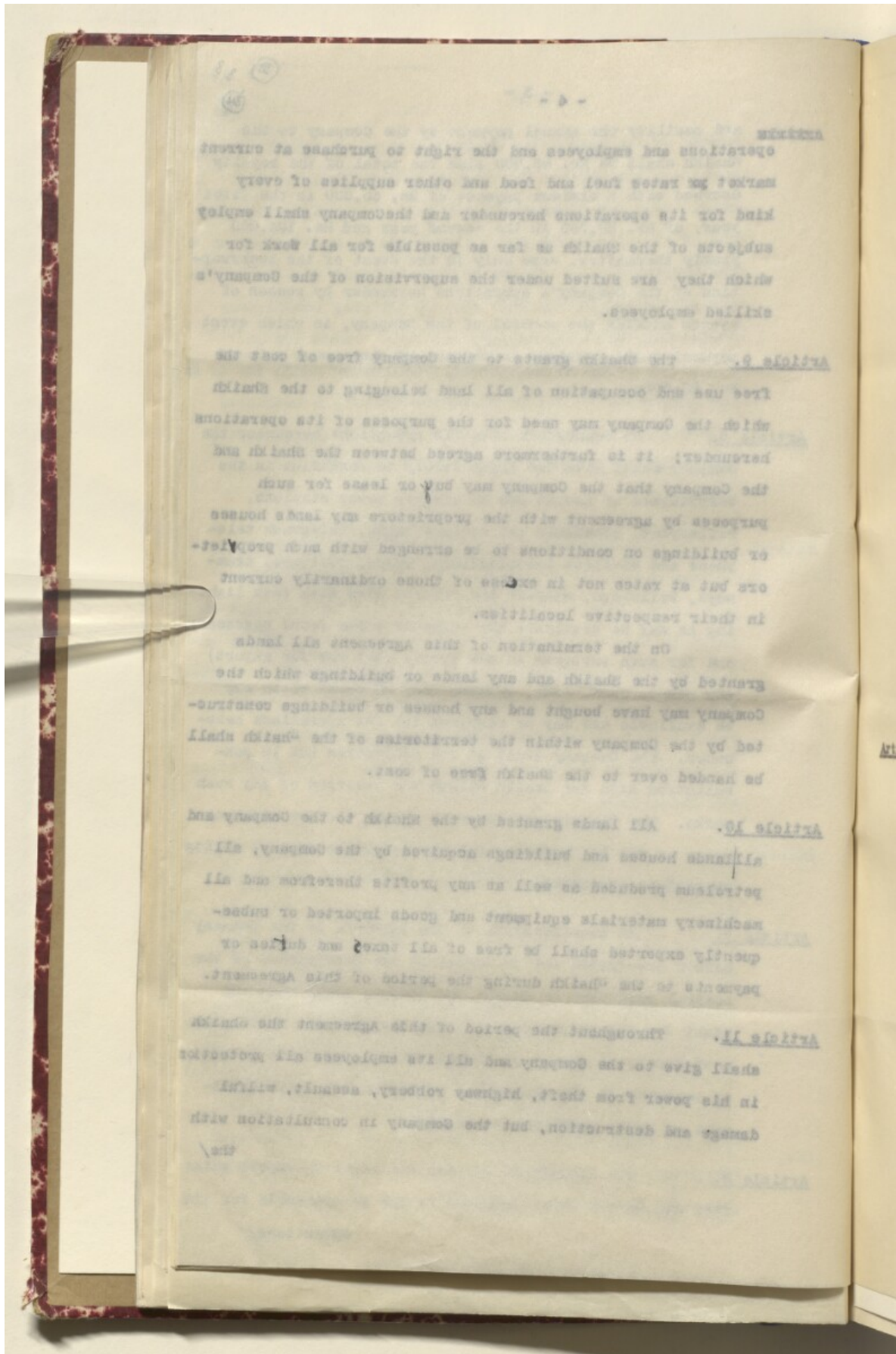
~~Article~~
operations and employees and the right to purchase at current market ~~gr~~ rates fuel and food and other supplies of every kind for its operations hereunder and the Company shall employ subjects of the Shaikh as far as possible for all work for which they are suited under the supervision of the Company's skilled employees.

Article 9. The Shaikh grants to the Company free of cost the free use and occupation of all land belonging to the Shaikh which the Company may need for the purposes of its operations hereunder; it is furthermore agreed between the Shaikh and the Company that the Company may buy or lease for such purposes by agreement with the proprietors any lands houses or buildings on conditions to be arranged with such proprietors but at rates not in excess of those ordinarily current in their respective localities.

On the termination of this Agreement all lands granted by the Shaikh and any lands or buildings which the Company may have bought and any houses or buildings constructed by the Company within the territories of the Shaikh shall be handed over to the Shaikh free of cost.

Article 10. All lands granted by the Shaikh to the Company and all lands houses and buildings acquired by the Company, all petroleum produced as well as any profits therefrom and all machinery materials equipment and goods imported or subsequently exported shall be free of all taxes and duties or payments to the Shaikh during the period of this Agreement.

Article 11. Throughout the period of this Agreement the Shaikh shall give to the Company and all its employees all protection in his power from theft, highway robbery, assault, wilful damage and destruction, but the Company in consultation with the/





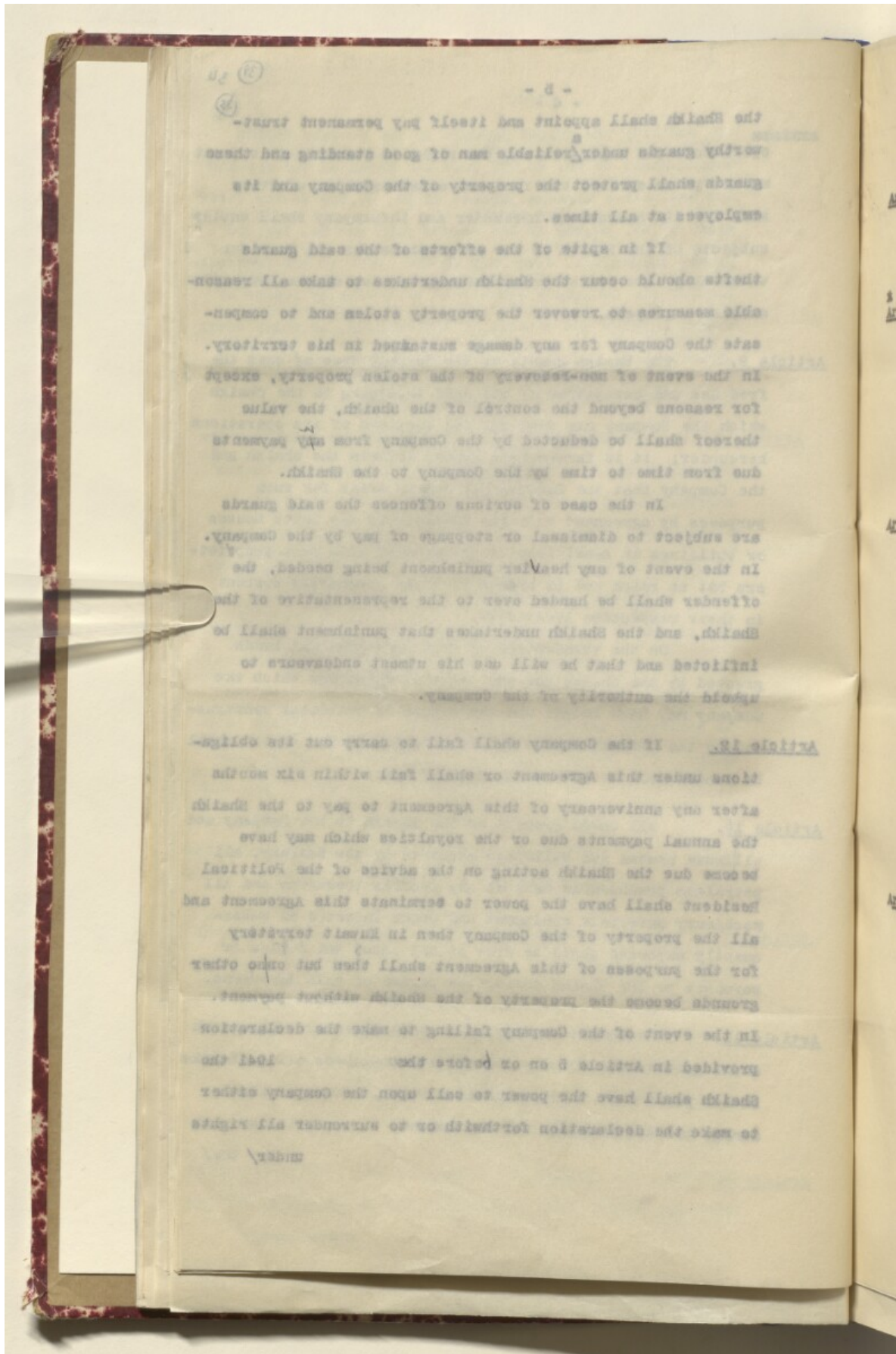
- 5 -

the Shaikh shall appoint and itself pay permanent trust-worthy guards under ^areliable man of good standing and these guards shall protect the property of the Company and its employees at all times.

If in spite of the efforts of the said guards thefts should occur the Shaikh undertakes to take all reasonable measures to recover the property stolen and to compensate the Company for any damage sustained in his territory. In the event of non-recovery of the stolen property, except for reasons beyond the control of the Shaikh, the value thereof shall be deducted by the Company from ^{any} payments due from time to time by the Company to the Shaikh.

In the case of serious offences the said guards are subject to dismissal or stoppage of pay by the Company. In the event of any heavier punishment being needed, the offender shall be handed over to the representative of the Shaikh, and the Shaikh undertakes that punishment shall be inflicted and that he will use his utmost endeavours to uphold the authority of the Company.

Article 12. If the Company shall fail to carry out its obligations under this Agreement or shall fail within six months after any anniversary of this Agreement to pay to the Shaikh the annual payments due or the royalties which may have become due the Shaikh acting on the advice of the Political Resident shall have the power to terminate this Agreement and all the property of the Company then in Kuwait territory for the purposes of this Agreement shall then but on no other grounds become the property of the Shaikh without payment. In the event of the Company failing to make the declaration provided in Article 5 on or before the 1941 the Shaikh shall have the power to call upon the Company either to make the declaration forthwith or to surrender all rights under/





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under this Agreement which shall then terminate.

Article 13. With the approval of the Shaikh acting on the advice of the Political Resident the Company may transfer the obligations and benefits of this Agreement to any British Company.

* Article 14. The Company shall have the right at any time after the completion of drilling mentioned in Article 3 to give the Shaikh one year's notice in advance to terminate this Agreement and the Company shall on expiry of such notice have no further liabilities hereunder after making due payment of all monies due to the Shaikh up ~~to~~ to the date of termination.

Article 15. In the event of there arising between the Shaikh and the Company any dispute or difference in respect of the interpretation of this Agreement or the rights or responsibilities of the Shaikh or of the Company therefrom resulting, such dispute or difference shall be submitted to two arbitrators one of whom shall be named by the Shaikh and one by the Company and to an umpire who shall be appointed by the arbitrators before they proceed to arbitrate.

The decision of the arbitrators, or in the event of disagreement between the arbitrators the decision of the umpire shall be final.

Article 16. This Agreement is written in English and translated into Arabic. If there should ~~be~~ at any time be disagreement as to the meaning or interpretation of any clause in this Agreement the English text shall be regarded as binding.

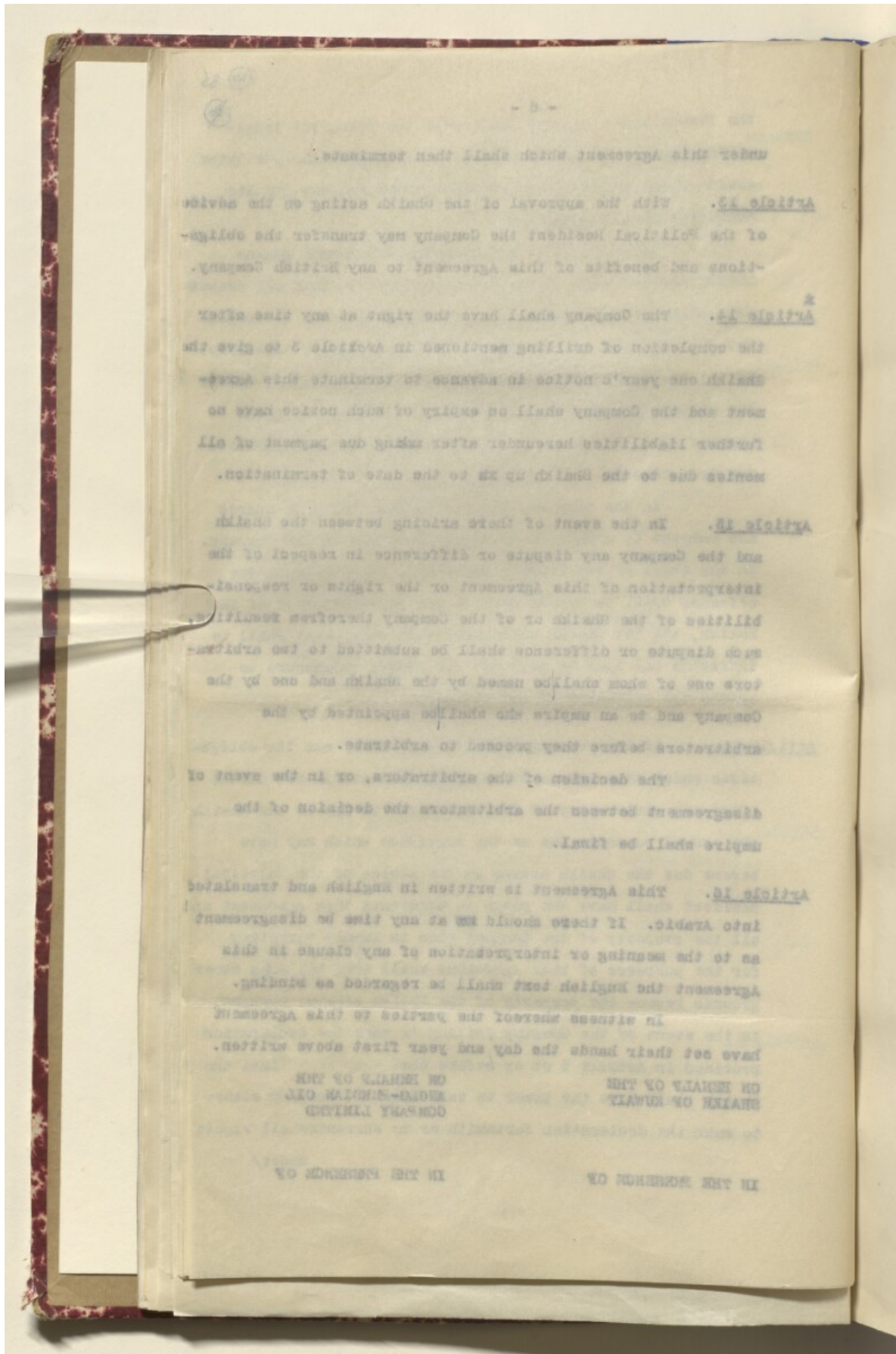
In witness whereof the parties to this Agreement have set their hands the day and year first above written.

ON BEHALF OF THE
SHAikh OF KUWAIT

ON BEHALF OF THE
ANGLO-PERSIAN OIL
COMPANY LIMITED

IN THE PRESENCE OF

IN THE PRESENCE OF



Confidential letter No.152 dated the 8th Jamad
Auwal 1351 (9th September 1932), from the Political Agent,
Kuwait, to His Excellency Shaikh Sir Ahmad al-Jabir as-Sabah,
K.C.I.E., C.S.I., Ruler of Kuwait.

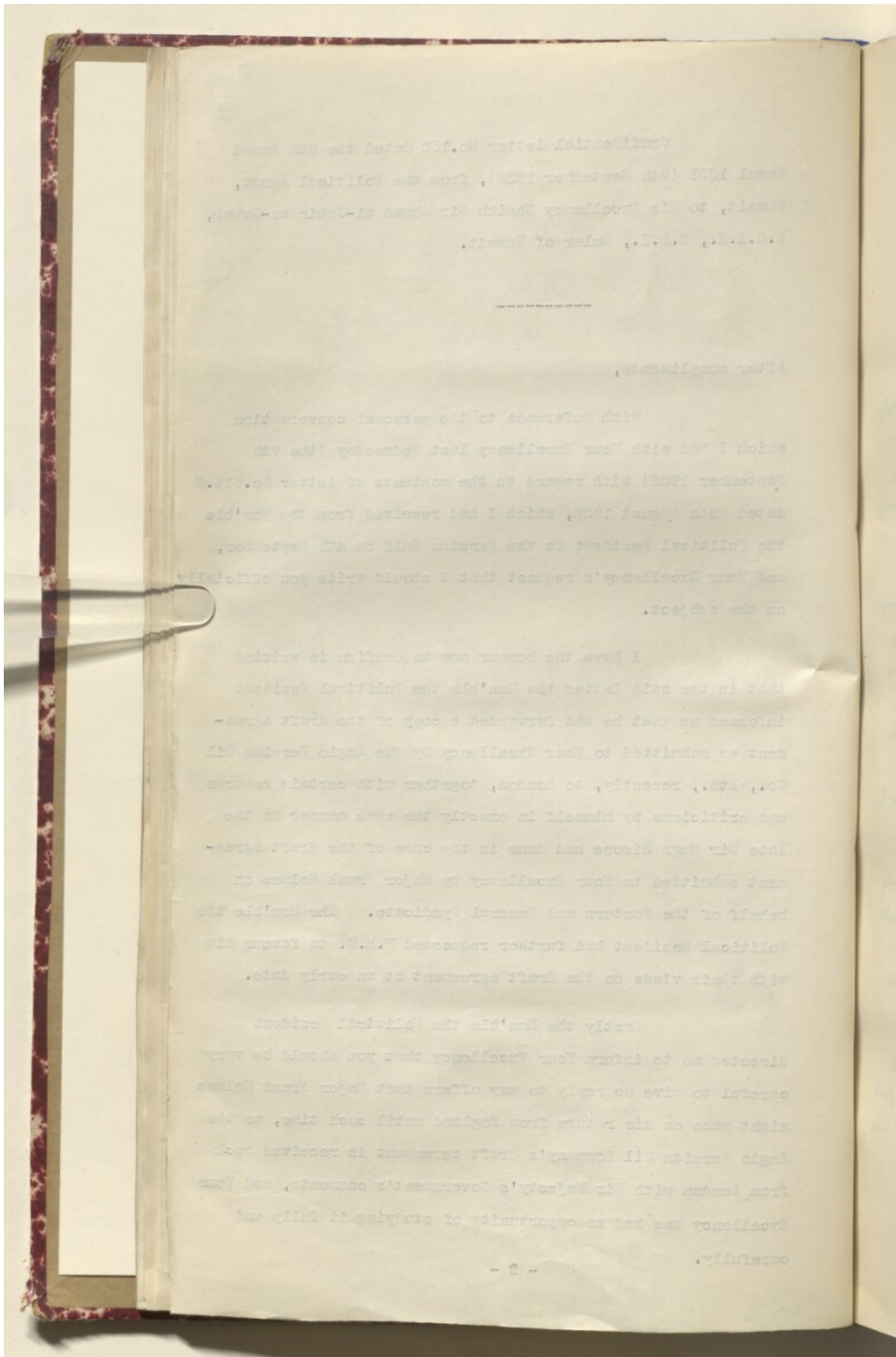
After compliments,

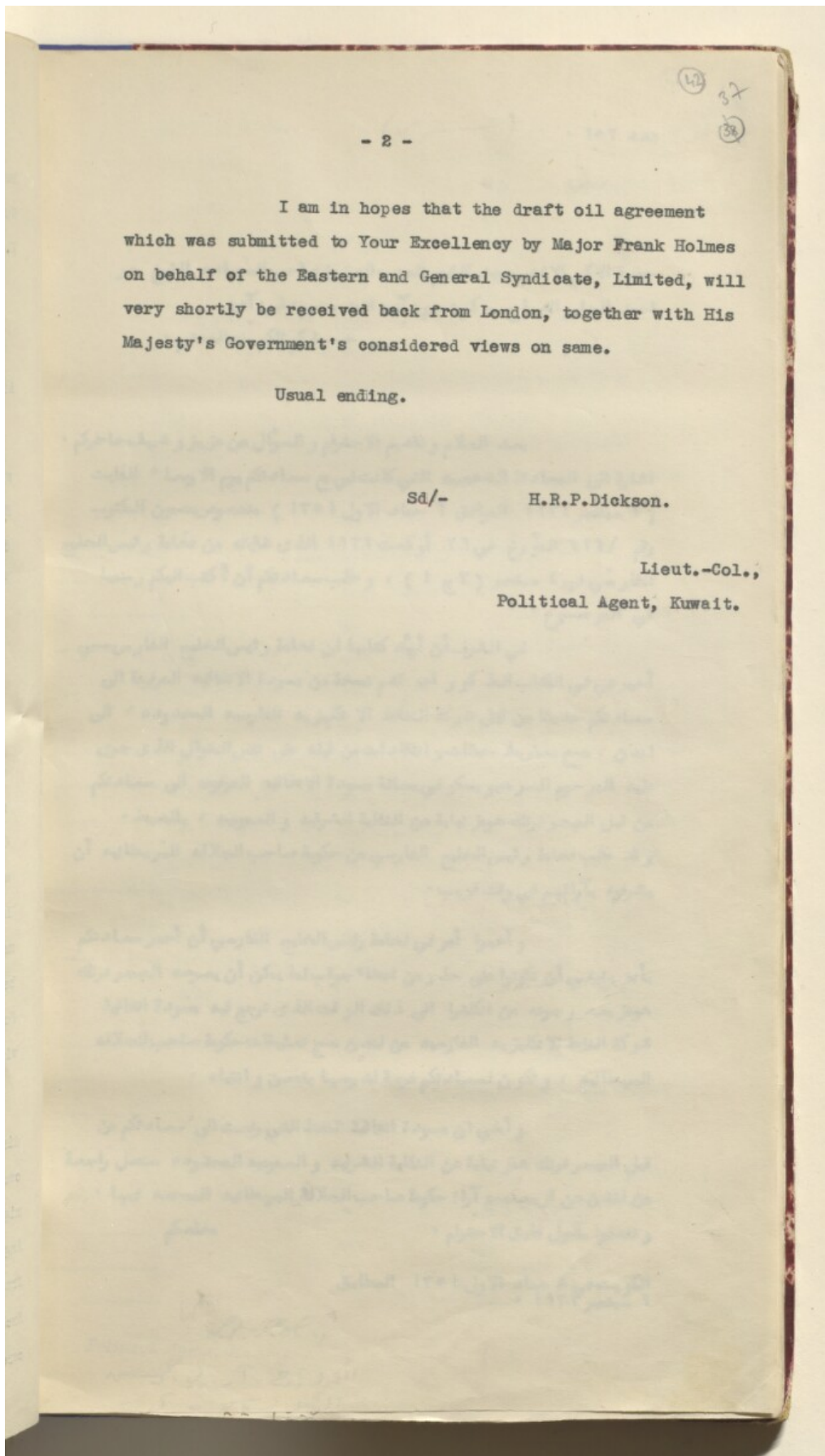
With reference to the personal conversation
which I had with Your Excellency last Wednesday (the 7th
September 1932) with regard to the contents of letter No.616.S
dated 26th August 1932, which I had received from the Hon'ble
the Political Resident in the Persian Gulf on 4th September,
and Your Excellency's request that I should write you officially
on the subject.

I have the honour now to confirm in writing
that in the said letter the Hon'ble the Political Resident
informed me that he had forwarded a copy of the draft agree-
ment as submitted to Your Excellency by the Anglo Persian Oil
Co., Ltd., recently, to London, together with certain remarks
and criticisms by himself, in exactly the same manner as the
late Sir Hugh Biscoe had done in the case of the draft agree-
ment submitted to Your Excellency by Major Frank Holmes on
behalf of the Eastern and General Syndicate. The Hon'ble the
Political Resident had further requested H.M.G. to favour him
with their views on the draft agreement at an early date.

Lastly the Hon'ble the Political Resident
directed me to inform Your Excellency that you should be very
careful to give no reply to any offers that Major Frank Holmes
might make on his return from England until such time, as the
Anglo Persian Oil Company's draft agreement is received back
from London with His Majesty's Government's comments, and Your
Excellency has had an opportunity of studying it fully and
carefully.

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I am in hopes that the draft oil agreement which was submitted to Your Excellency by Major Frank Holmes on behalf of the Eastern and General Syndicate, Limited, will very shortly be received back from London, together with His Majesty's Government's considered views on same.

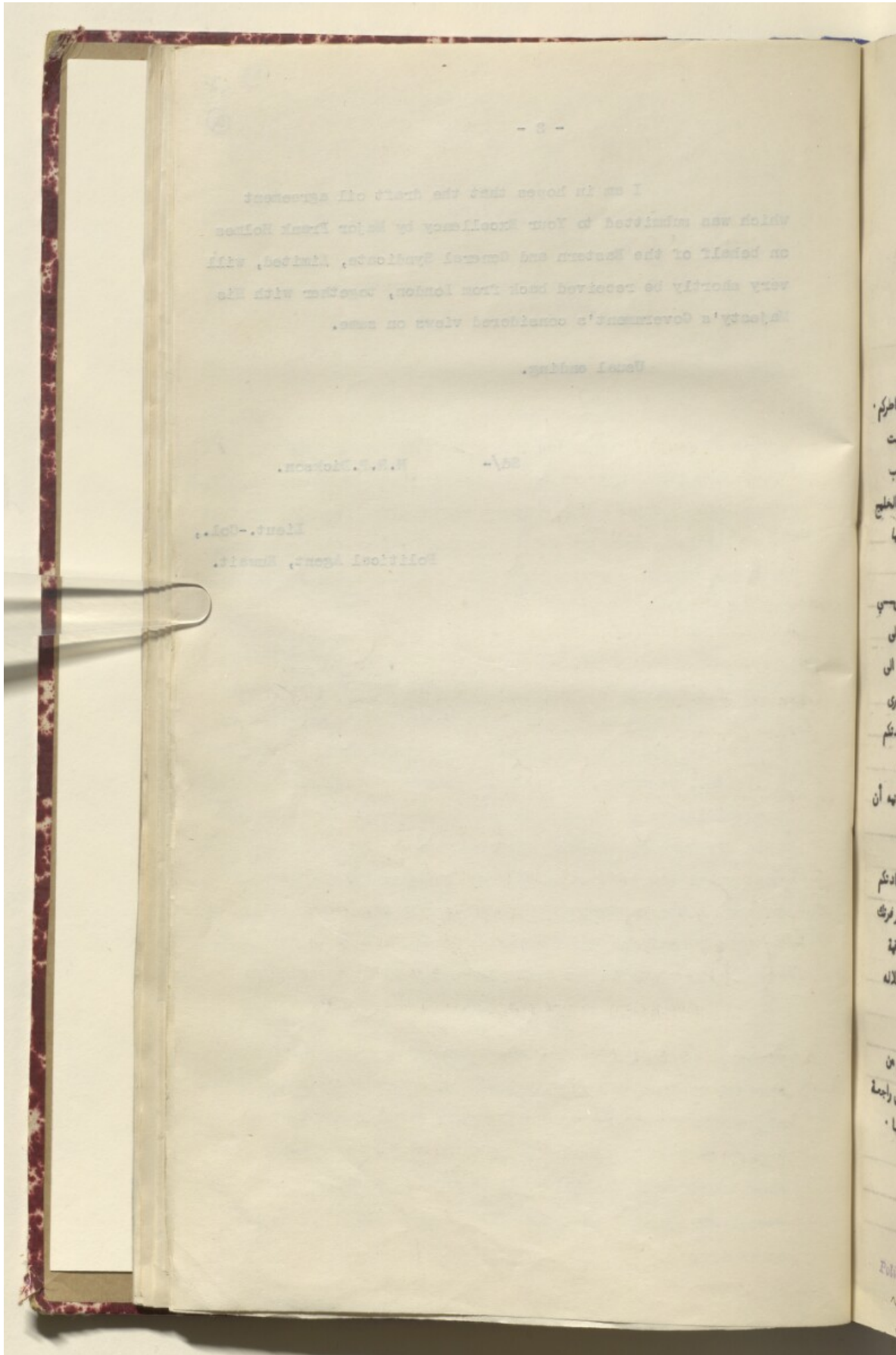
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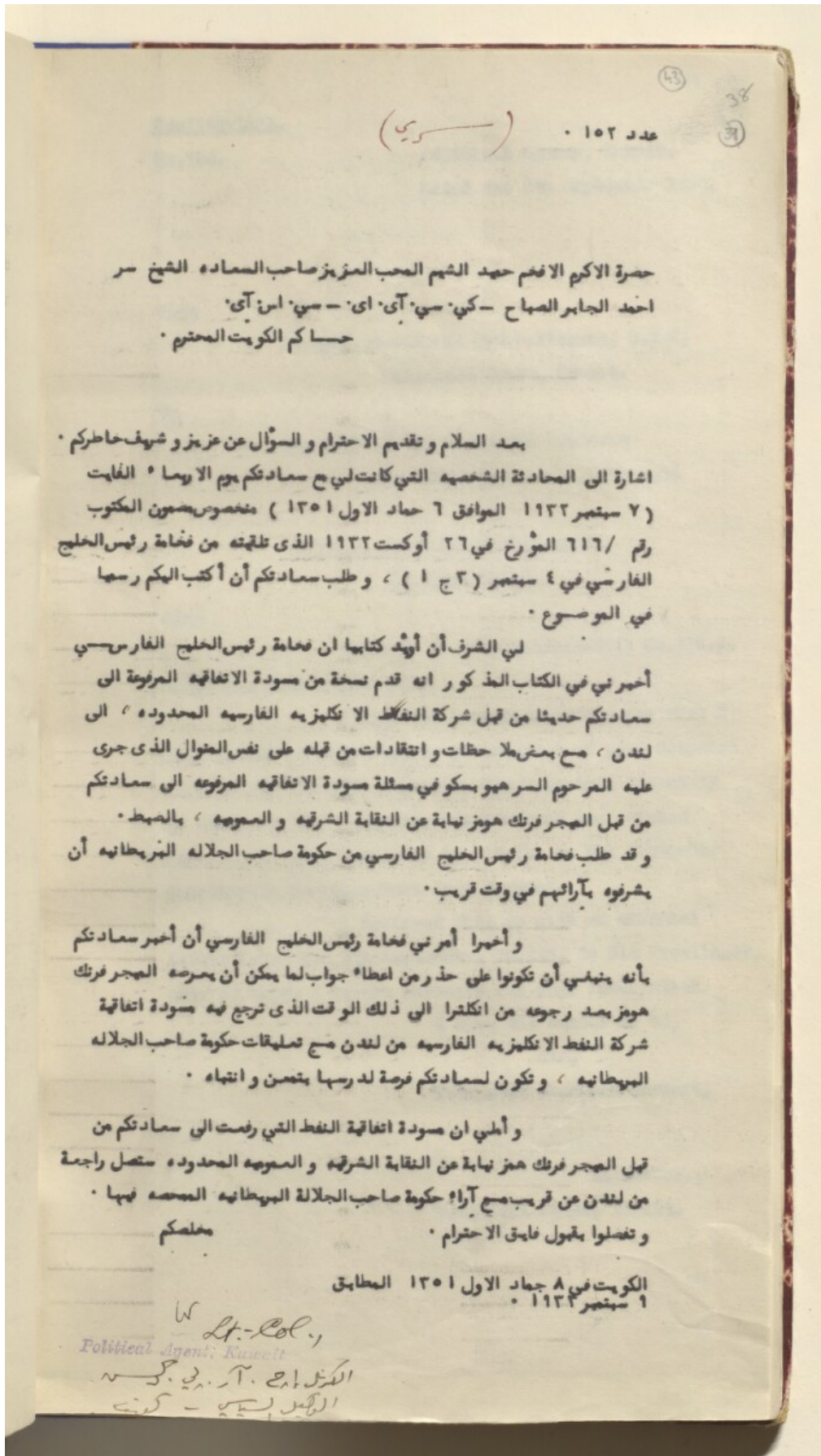
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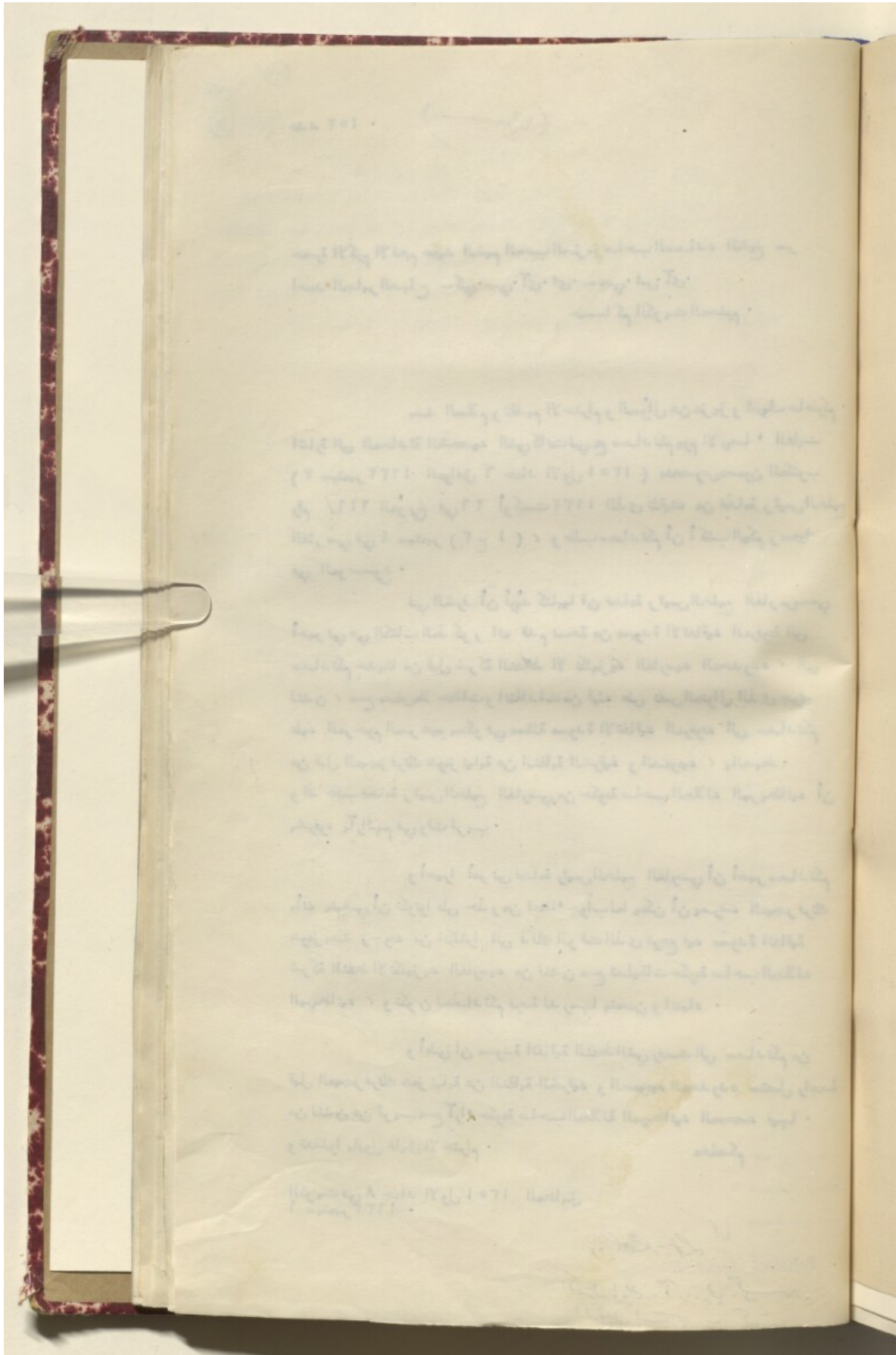
H.R.P. Dickson.

Lieut.-Col.,

Political Agent, Kuwait.







Confidential.

No.154.

Political Agency, Kuwait.

Dated the 9th September 1932.

From

Lieutenant-Colonel H.R.P. Dickson, C.I.E.
Political Agent, Kuwait.

To

The Hon'ble the Political Resident
in the Persian Gulf, Bushire.

A.P.S.C. Application for Kuwait
Oil Concession.

Sir,

In reply to your confidential No.616.S.
dated the 26th August 1932.

I have the honour to inform you that I
took action as indicated in paragraph 6 of your despatch
No.56 dated the 25th August to His Majesty's Secretary
of State for the Colonies, and conveyed your wishes
verbally to His Excellency the Shaikh on 8th September
immediately on his return from Baghdad.

I followed this up with an official
letter dated the 9th September, No.152, to His Excellency,
copy of which I attach herewith for your information.

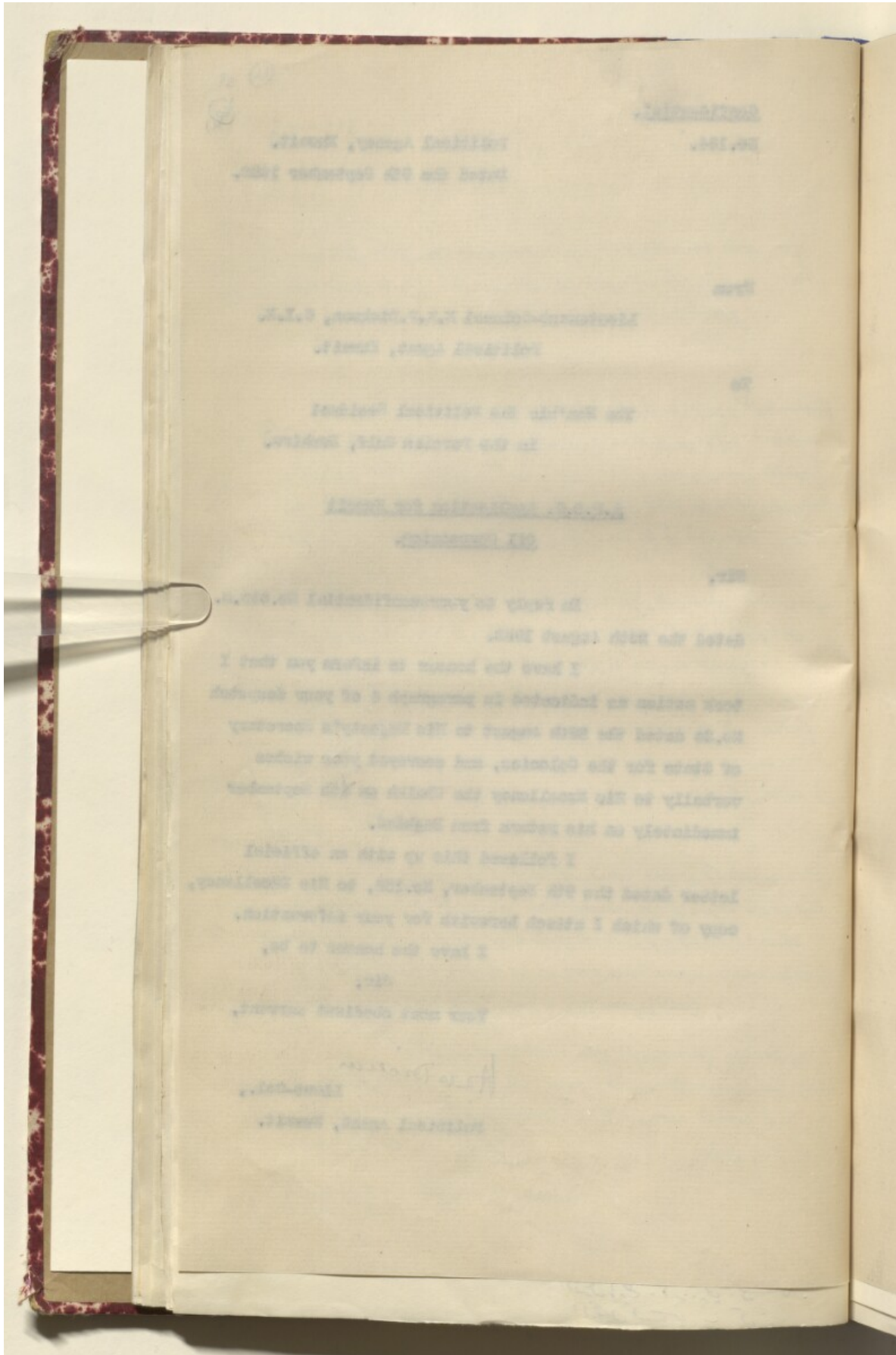
I have the honour to be,

Sir,

Your most obedient servant,

H.R.P. Dickson

Lieut-Col.,
Political Agent, Kuwait.



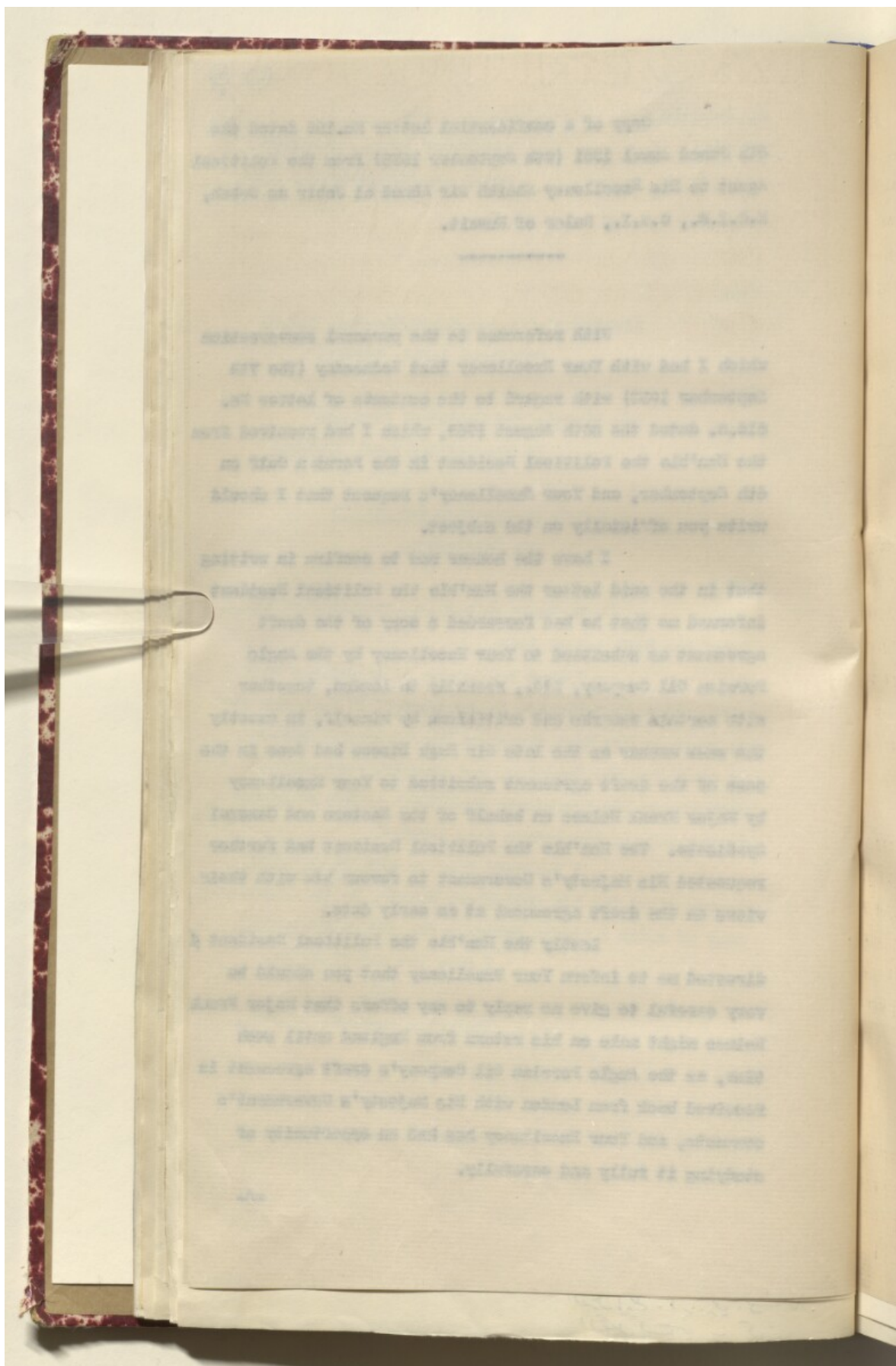
Copy of a confidential letter No.152 dated the 8th Jamad Awwal 1351 (9th September 1932) from the Political Agent to His Excellency Sheikh Sir Ahmad al Jabir as Subah, K.C.I.B., C.S.I., Ruler of Kuwait.

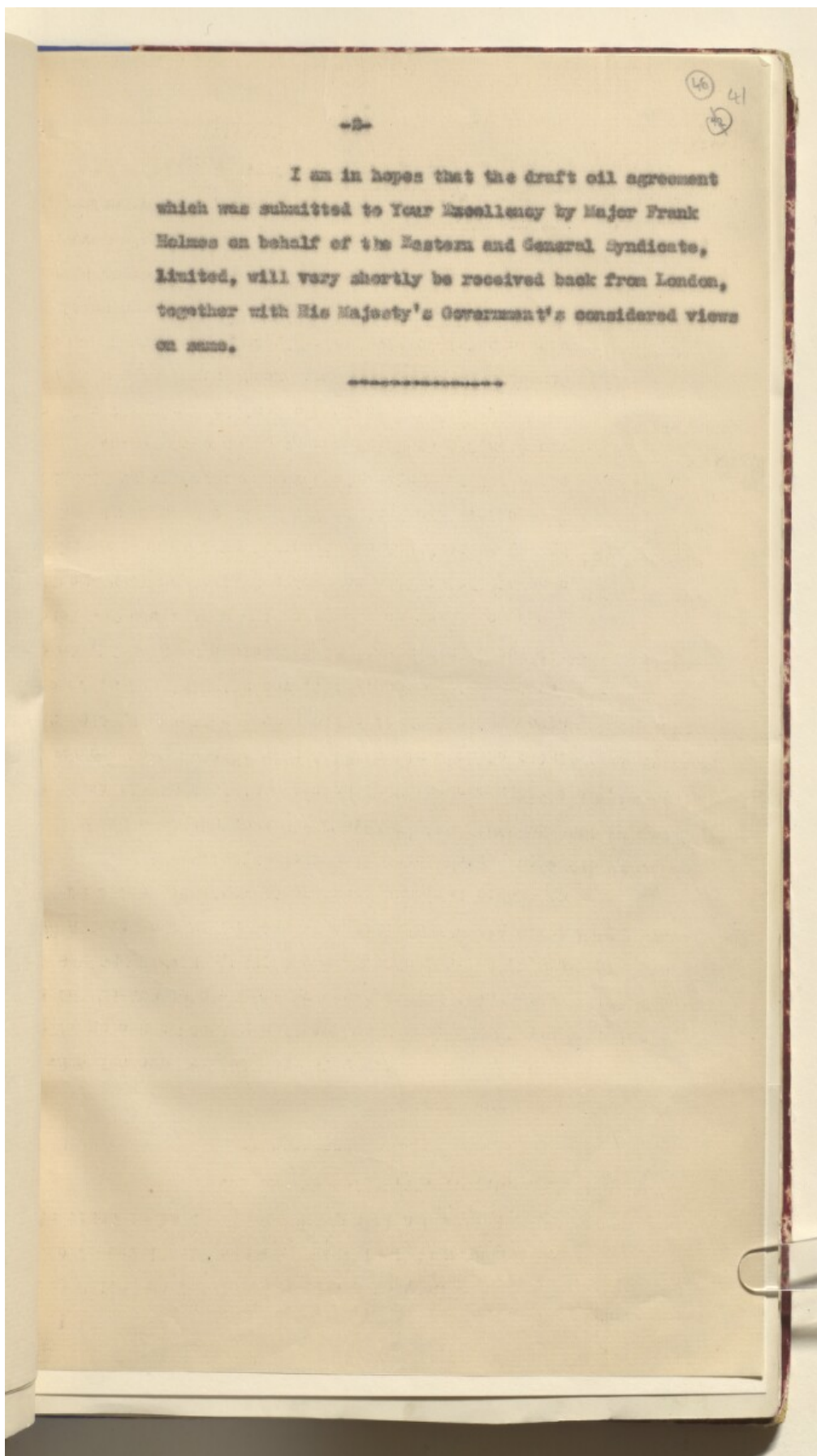
With reference to the personal conversation which I had with Your Excellency last Wednesday (the 7th September 1932) with regard to the contents of letter No. 616.S. dated the 20th August 1932, which I had received from the Hon'ble the Political Resident in the Persian Gulf on 4th September, and Your Excellency's request that I should write you officially on the subject.

I have the honour now to confirm in writing that in the said letter the Hon'ble the Political Resident informed me that he had forwarded a copy of the draft agreement as submitted to Your Excellency by the Anglo Persian Oil Company, Ltd., recently to London, together with certain remarks and criticisms by himself, in exactly the same manner as the late Sir Hugh Biscoe had done in the case of the draft agreement submitted to Your Excellency by Major Frank Holmes on behalf of the Eastern and General Syndicate. The Hon'ble the Political Resident had further requested His Majesty's Government to favour him with their views on the draft agreement at an early date.

Lastly the Hon'ble the Political Resident directed me to inform Your Excellency that you should be very careful to give no reply to any offers that Major Frank Holmes might make on his return from England until such time, as the Anglo Persian Oil Company's draft agreement is received back from London with His Majesty's Government's comments, and Your Excellency has had an opportunity of studying it fully and carefully.

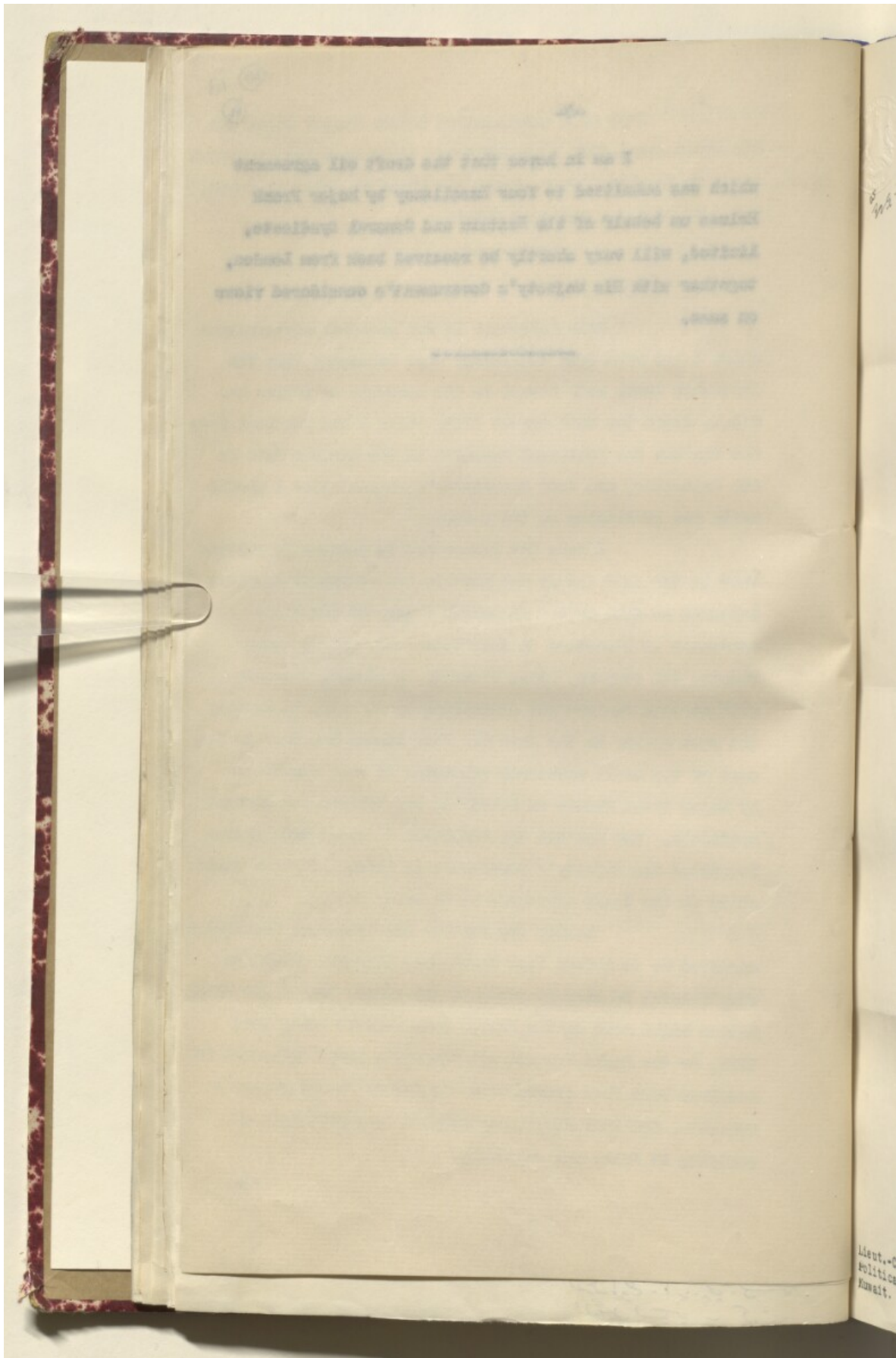
-2-







"ملف ١٠ ٥ ٧ شركة نفط الكويت" [٦٤٤٦] (٣٩٢/٩٧)



D.O. 664-S of 1932.

Confidential

The Residency,
Bushire, 15th September 1932.

My dear Dickson

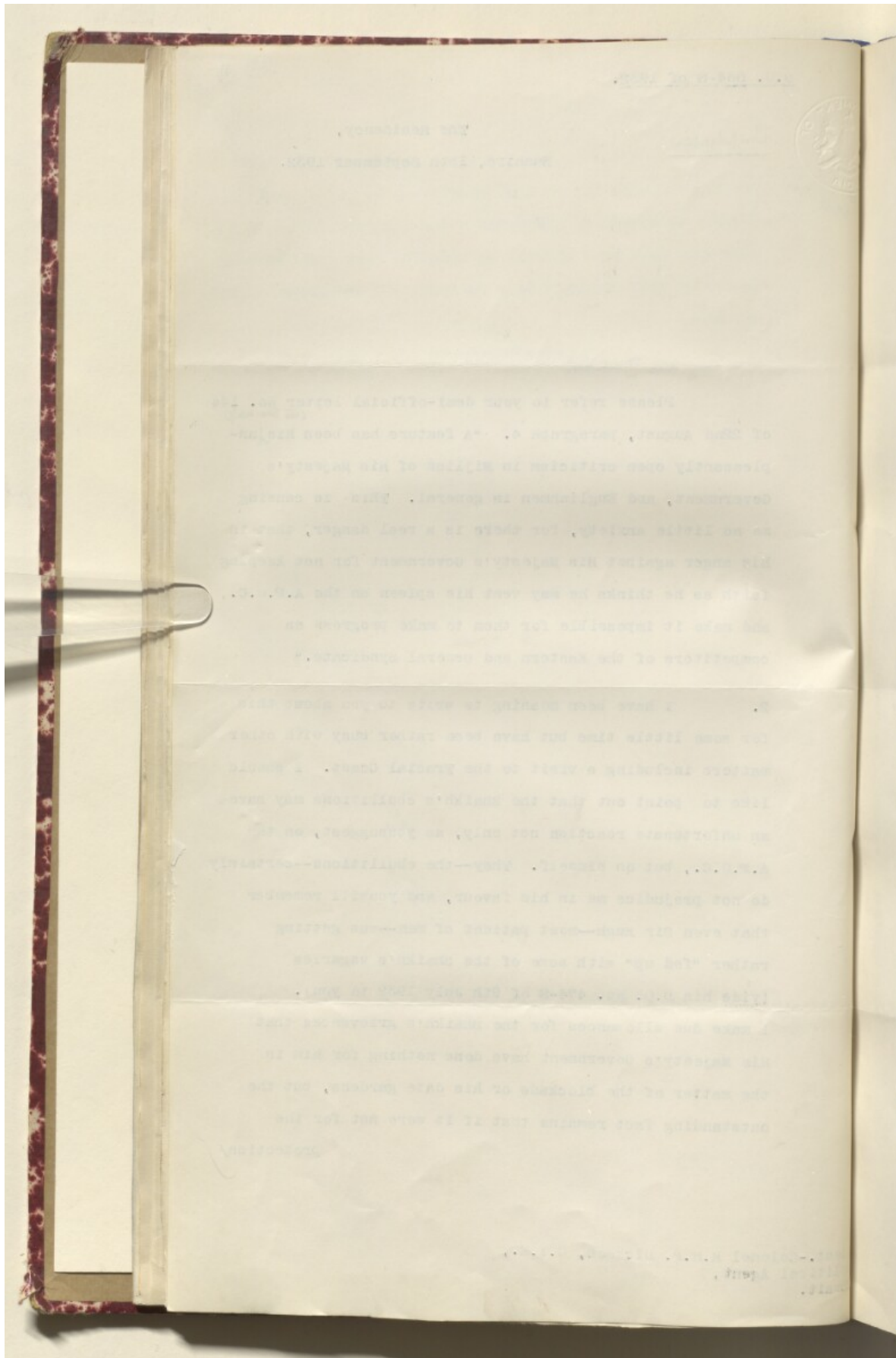
Please refer to your demi-official letter No. 144
(the Shaikh's)
of 22nd August, paragraph 4. "A feature has been his unpleasantly open criticism in Mijliss of His Majesty's Government, and Englishmen in general. This is causing me no little anxiety, for there is a real danger, that in his anger against His Majesty's Government for not keeping faith as he thinks he may vent his spleen on the A.P.O.C., and make it impossible for them to make progress as competitors of the Eastern and General Syndicate."

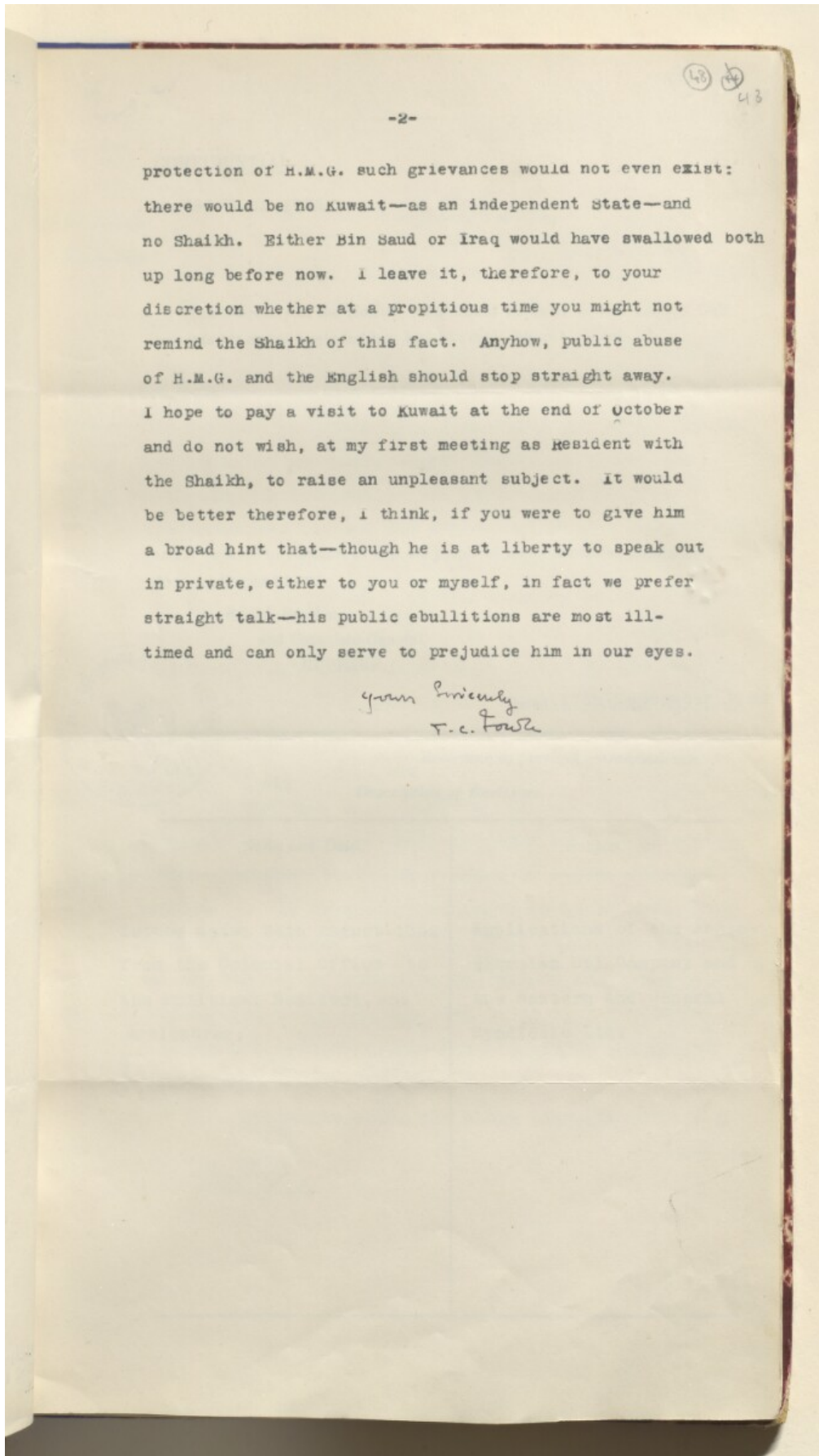
2. I have been meaning to write to you about this for some little time but have been rather busy with other matters including a visit to the Trucial Coast. I should like to point out that the Shaikh's ebullitions may have an unfortunate reaction not only, as you suggest, on the A.P.O.C., but on himself. They—the ebullitions—certainly do not prejudice me in his favour, and you will remember that even Sir Hugh—most patient of men—was getting rather "fed up" with some of the Shaikh's vagaries (vide his D.O. no. 474-S of 9th July 1932 to you).

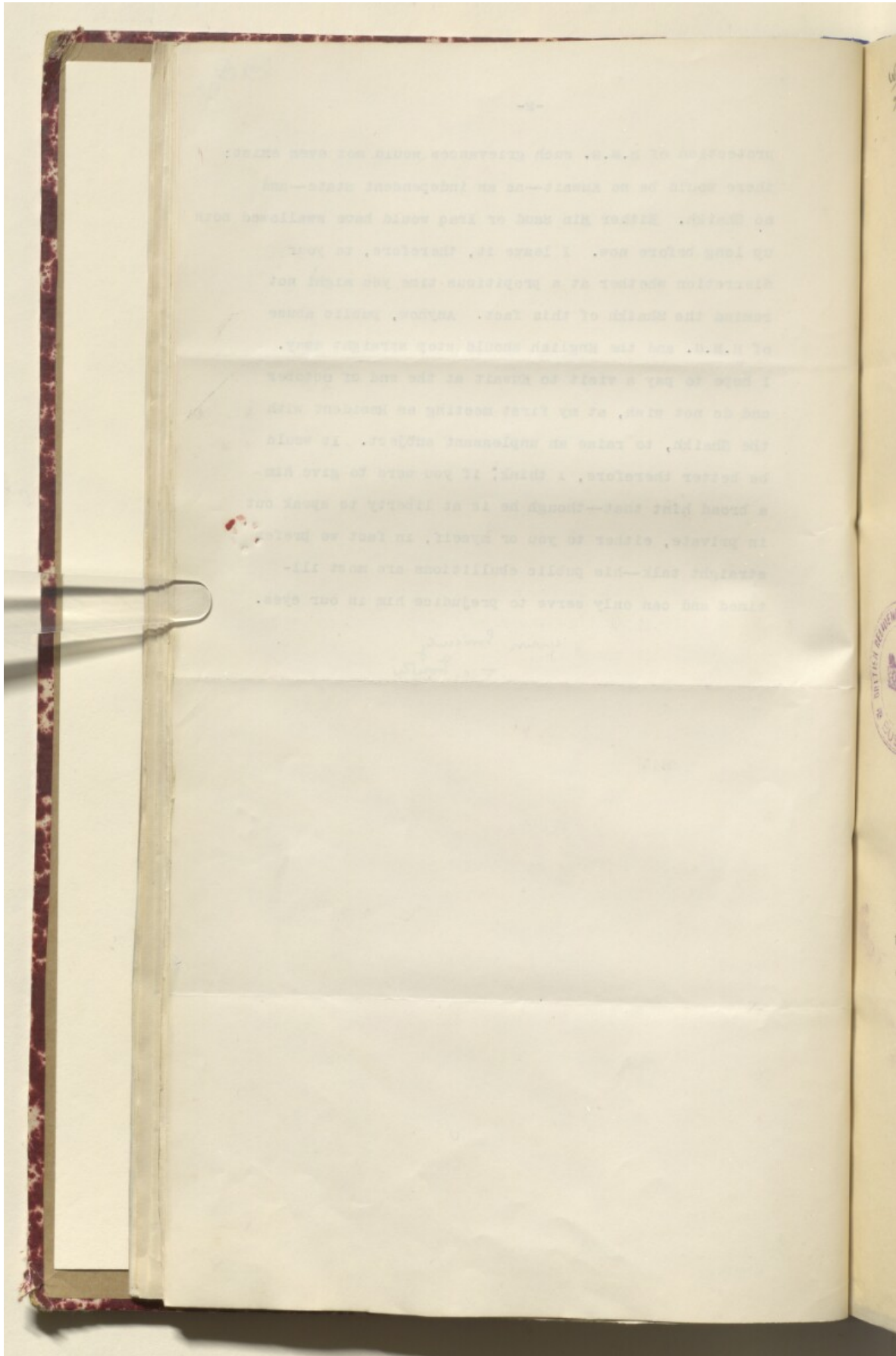
I make due allowances for the Shaikh's grievances that His Majesty's Government have done nothing for him in the matter of the blockade or his date gardens, but the outstanding fact remains that if it were not for the

protection/

Lieut.-Colonel H.R.F. Dickson, C.I.E.,
Political Agent,
Kuwait.









45
22.9.32

CONFIDENTIAL.

No. 680-S of 1932.

The Secretary to the Hon'ble the Political Resident in the Persian Gulf
presents his compliments to the Political Agent, Kuwait,

and is directed to transmit to him a copy of the undermentioned documents.
for information.

British Residency
and Consulate-General,
BUSHIRE.

Dated 17th September 1932

Reference to previous correspondence :
nil

Description of Enclosure.

Name and Date.	Subject.
Letter dated 24th August 1932 from the Colonial Office to the Political Resident, and enclosures.	Applications of the Anglo- Persian Oil Company and the Eastern and General Syndicate Ltd.



"ملف ٥ / ١٧ شركة نفط الكويت" [٤٩٤] (٣٩٢/١٠٣)

CONFIDENTIAL
No. 680-8 of 1932.

The Secretary to the Hon'ble the Political Resident in the Eastern Gulf
presents his compliments to the Political Agent, Kuwait.

and is directed to transmit to him a copy of the undated document
for information.

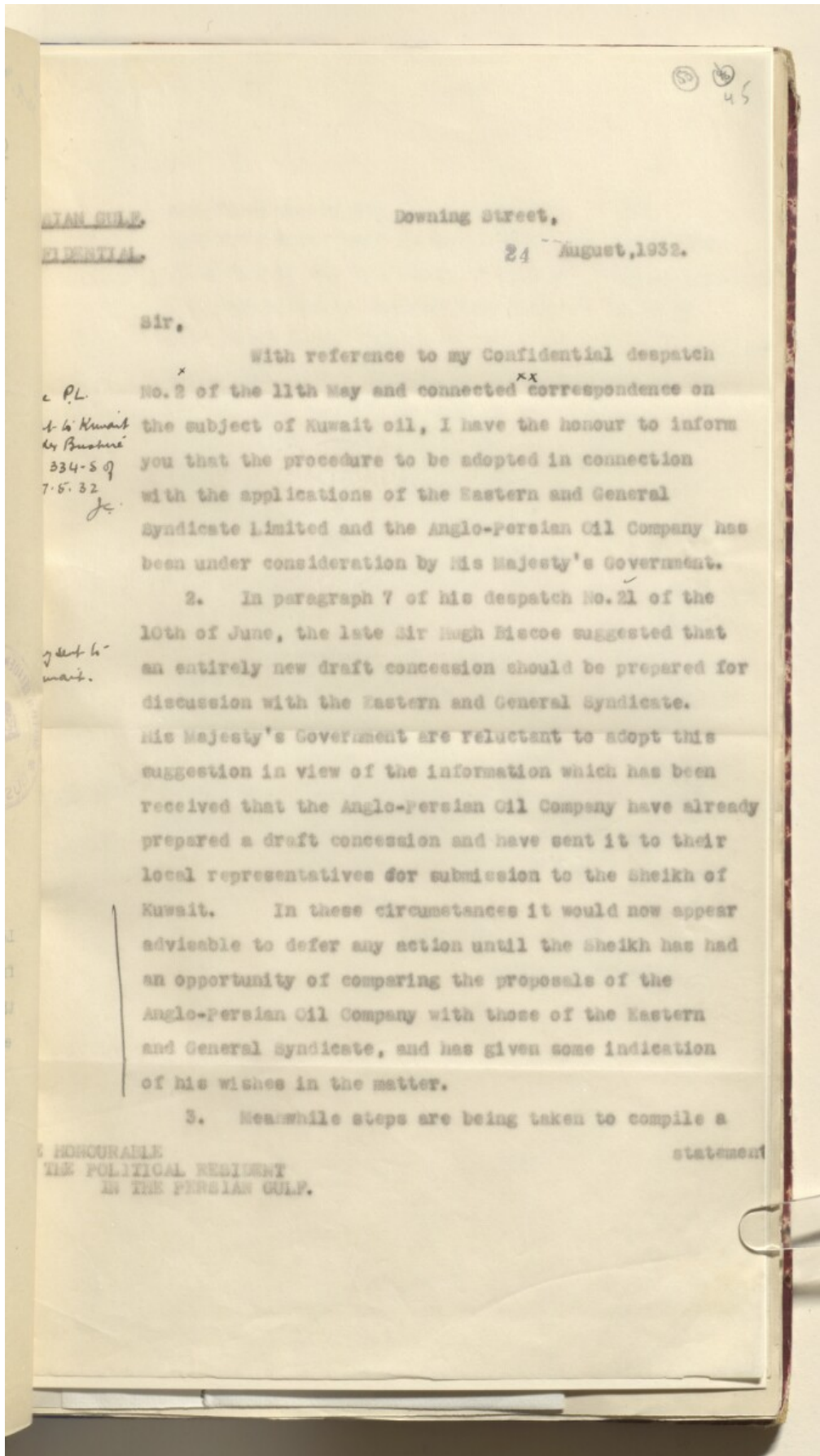
British Embassy
and Consulate-General,
BUSHIRE.

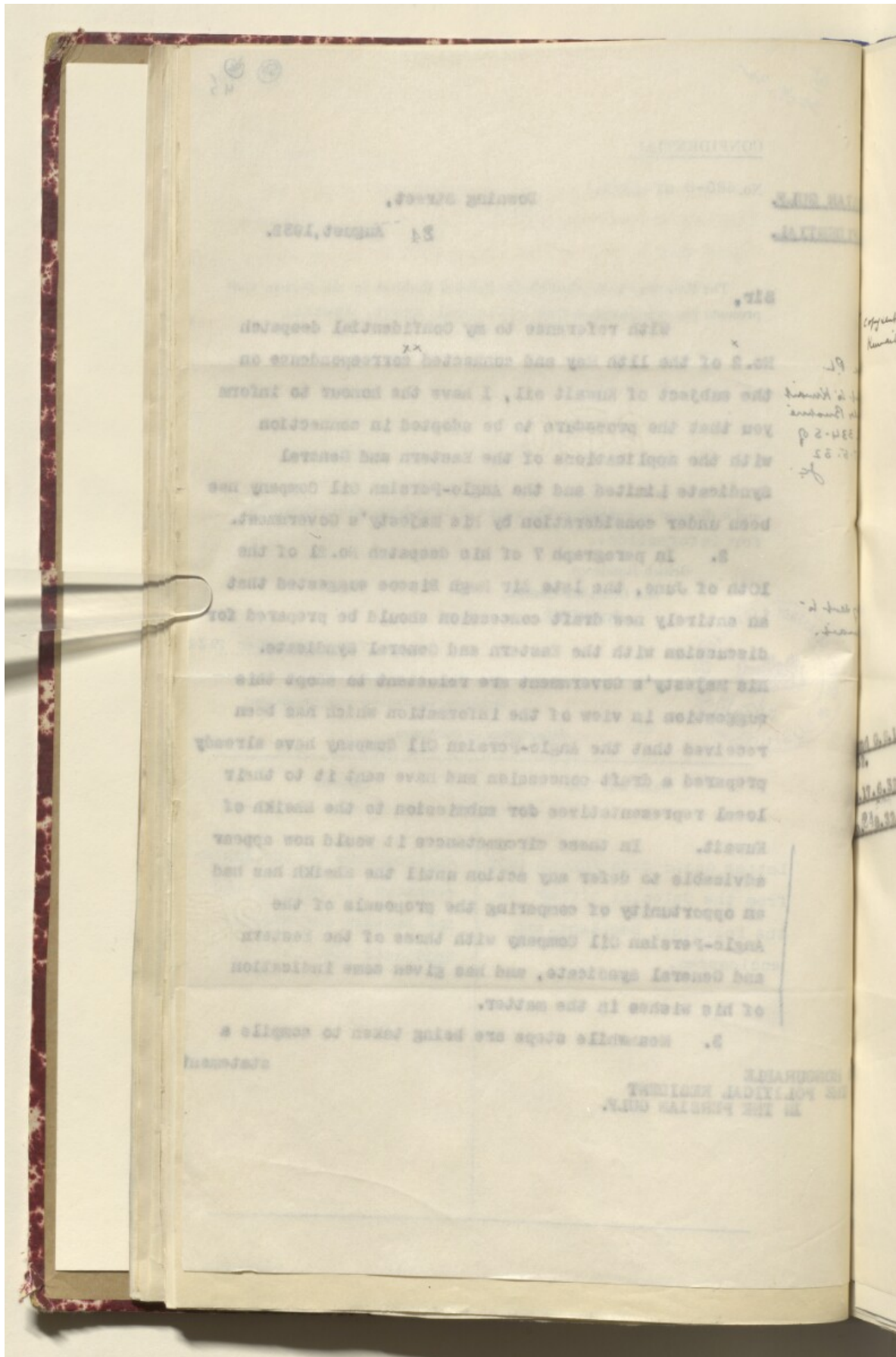
Dated 17th September 1932

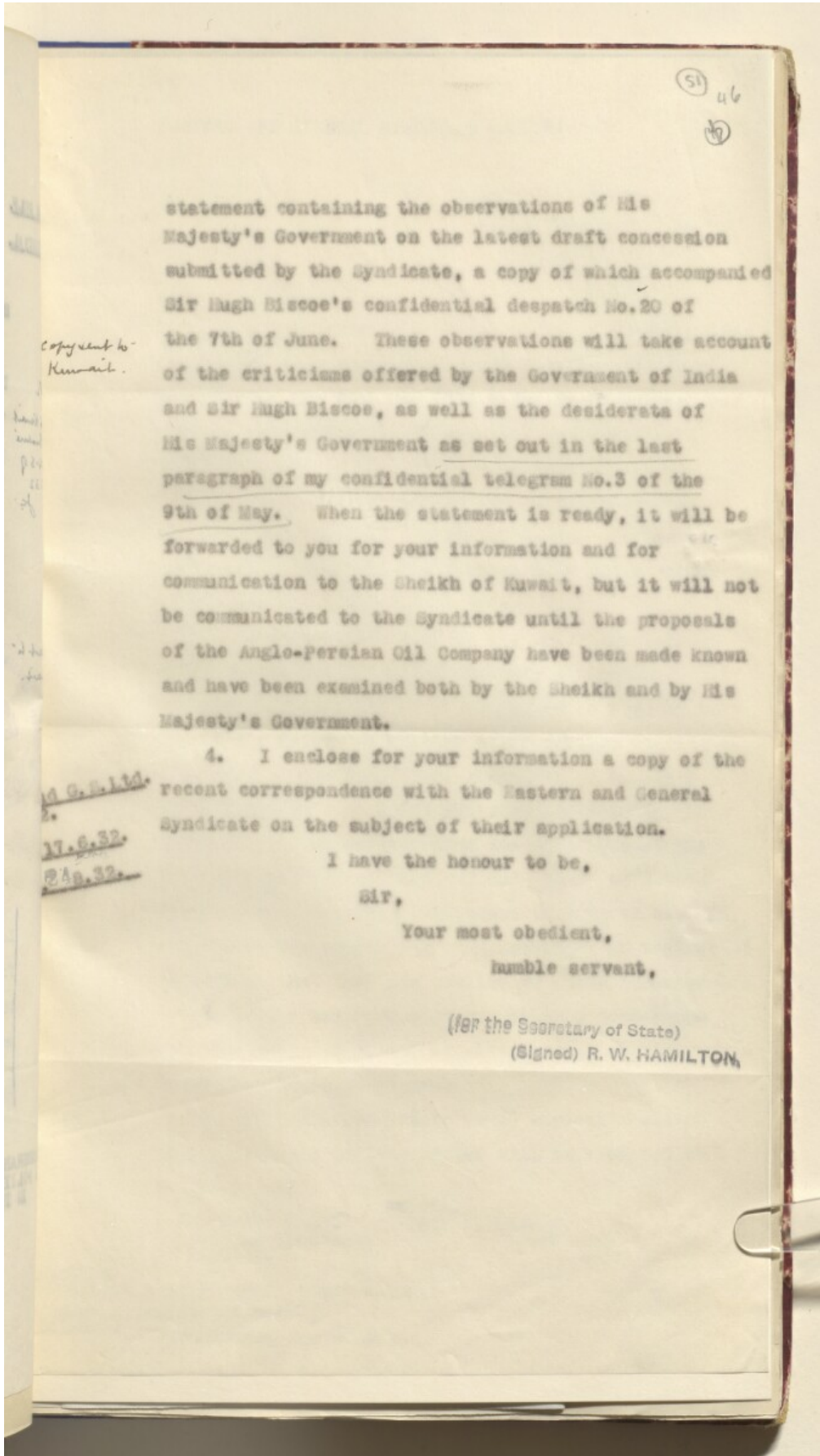
Reference to previous correspondence:

Description of Enclosure.

Name and Date.	Subject.
Letter dated 24th August 1932 from the Colonial Office to the Political Resident, and enclosures.	Applications of the Anglo- Persian Oil Company and the Eastern and General Syndicate Ltd.







statement containing the observations of His Majesty's Government on the latest draft concession submitted by the Syndicate, a copy of which accompanied Sir Hugh Biscoe's confidential despatch No. 20 of the 7th of June. These observations will take account of the criticisms offered by the Government of India and Sir Hugh Biscoe, as well as the desiderata of His Majesty's Government as set out in the last paragraph of my confidential telegram No. 3 of the 9th of May. When the statement is ready, it will be forwarded to you for your information and for communication to the Sheikh of Kuwait, but it will not be communicated to the Syndicate until the proposals of the Anglo-Persian Oil Company have been made known and have been examined both by the Sheikh and by His Majesty's Government.

10 G. E. 134.
2.
17.6.32.
24.6.32.

4. I enclose for your information a copy of the recent correspondence with the Eastern and General Syndicate on the subject of their application.

I have the honour to be,

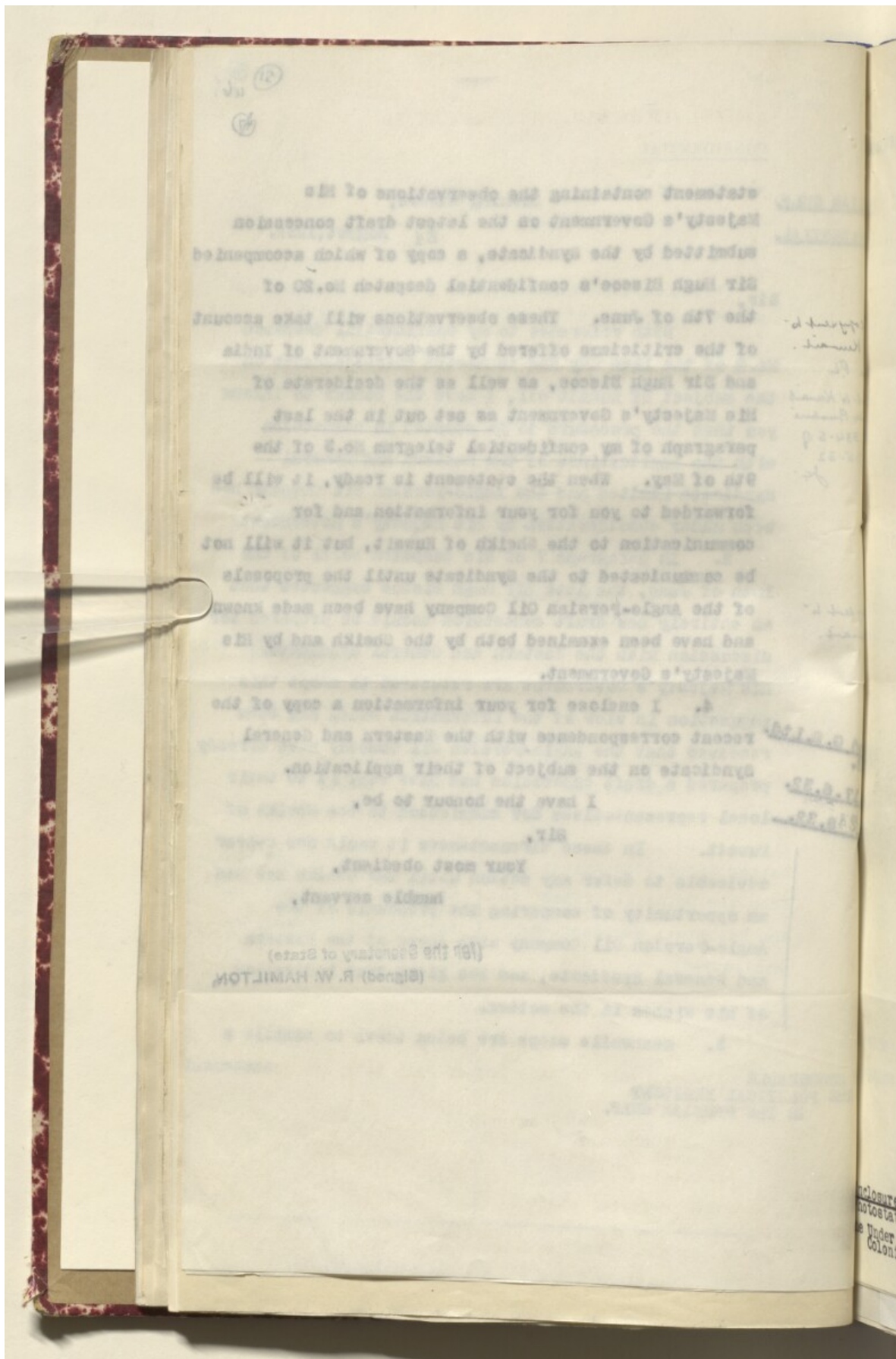
Sir,

Your most obedient,

humble servant,

(for the Secretary of State)

(Signed) R. W. HAMILTON,





EASTERN AND GENERAL SYNDICATE LIMITED.

19, St. Swithin's Lane,

London, E. C. 4.

10th June, 1932.

Sir,

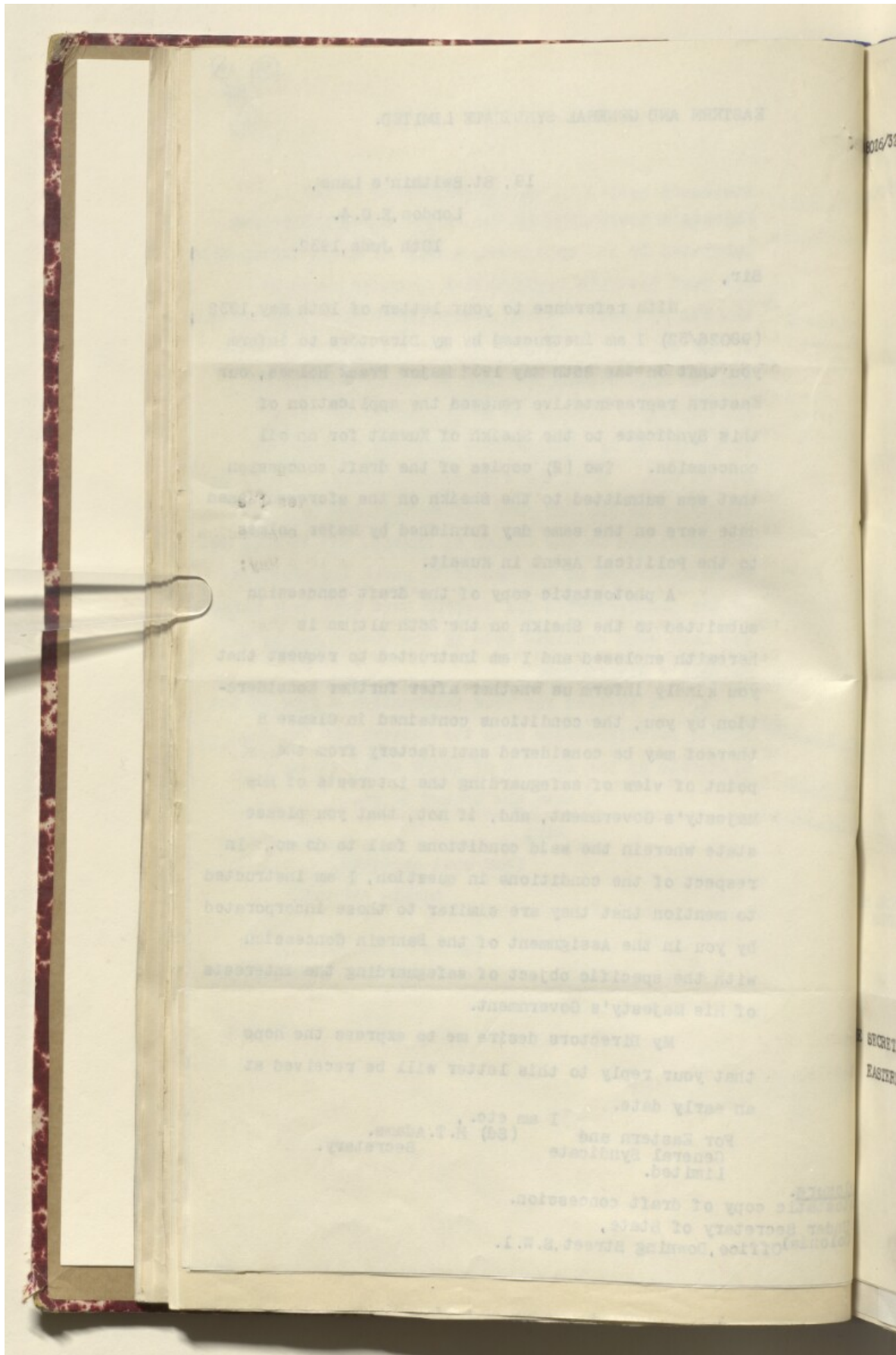
With reference to your letter of 10th May, 1932 (98026/32) I am instructed by my Directors to inform you that on the 26th May 1932 Major Frank Holmes, our Eastern representative renewed the application of this Syndicate to the Sheikh of Kuwait for an oil concession. Two (2) copies of the draft concession that was submitted to the Sheikh on the aforementioned date were on the same day furnished by Major Holmes to the Political Agent in Kuwait.

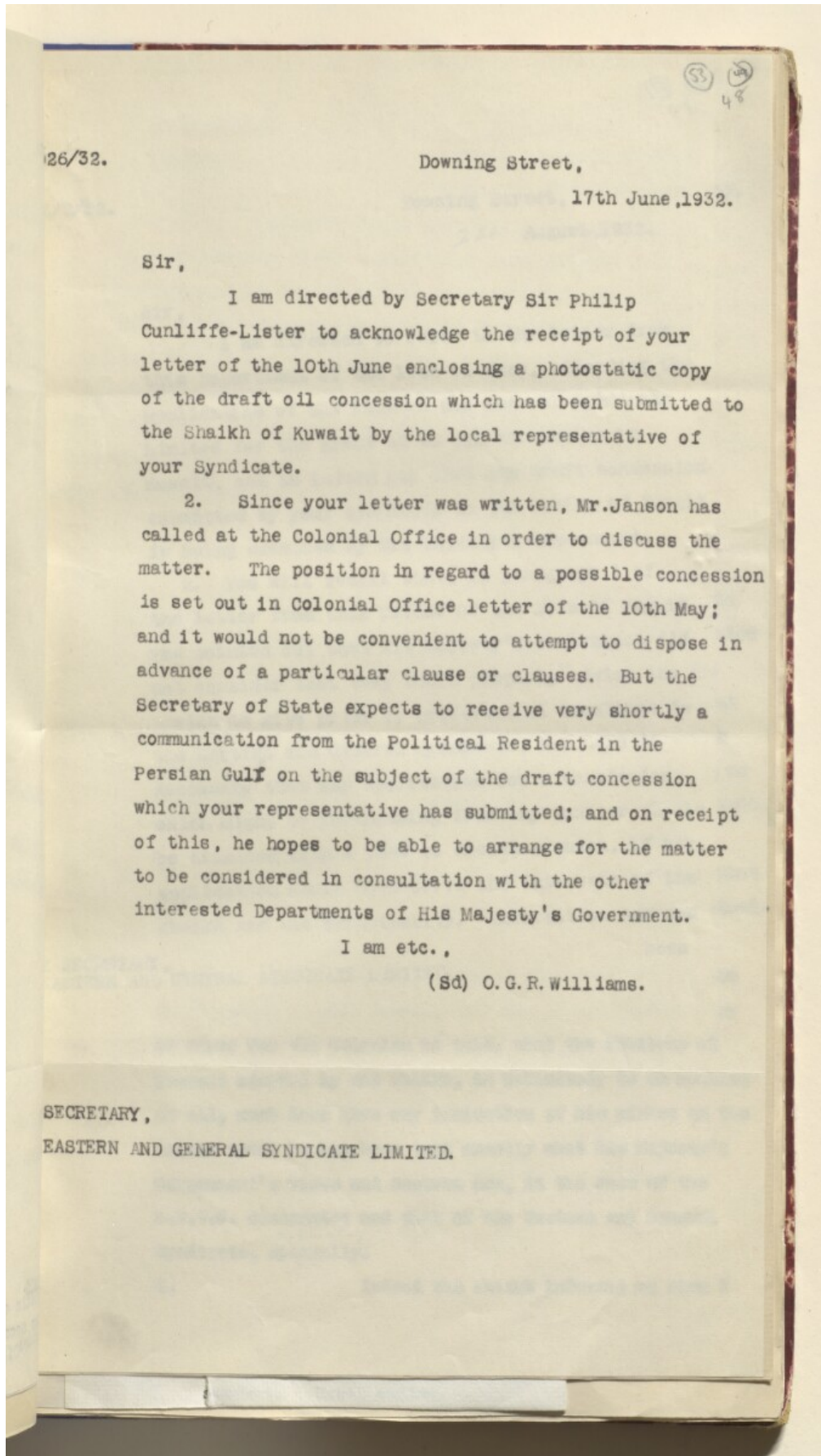
A photostatic copy of the draft concession submitted to the Sheikh on the 26th ultimo is herewith enclosed and I am instructed to request that you kindly inform us whether after further consideration by you, the conditions contained in Clause 8 thereof may be considered satisfactory from the point of view of safeguarding the interests of His Majesty's Government, and, if not, that you please state wherein the said conditions fail to do so. In respect of the conditions in question, I am instructed to mention that they are similar to those incorporated by you in the Assignment of the Bahrein Concession with the specific object of safeguarding the interests of His Majesty's Government.

My Directors desire me to express the hope that your reply to this letter will be received at an early date.

I am etc.,
(Sd) H. T. Adams.
For Eastern and General Syndicate Secretary.
Limited.

closure.
Photostatic copy of draft concession.
Under Secretary of State,
Colonial Office, Downing Street, S.W. 1.





26/32.

Downing Street,

17th June, 1932.

Sir,

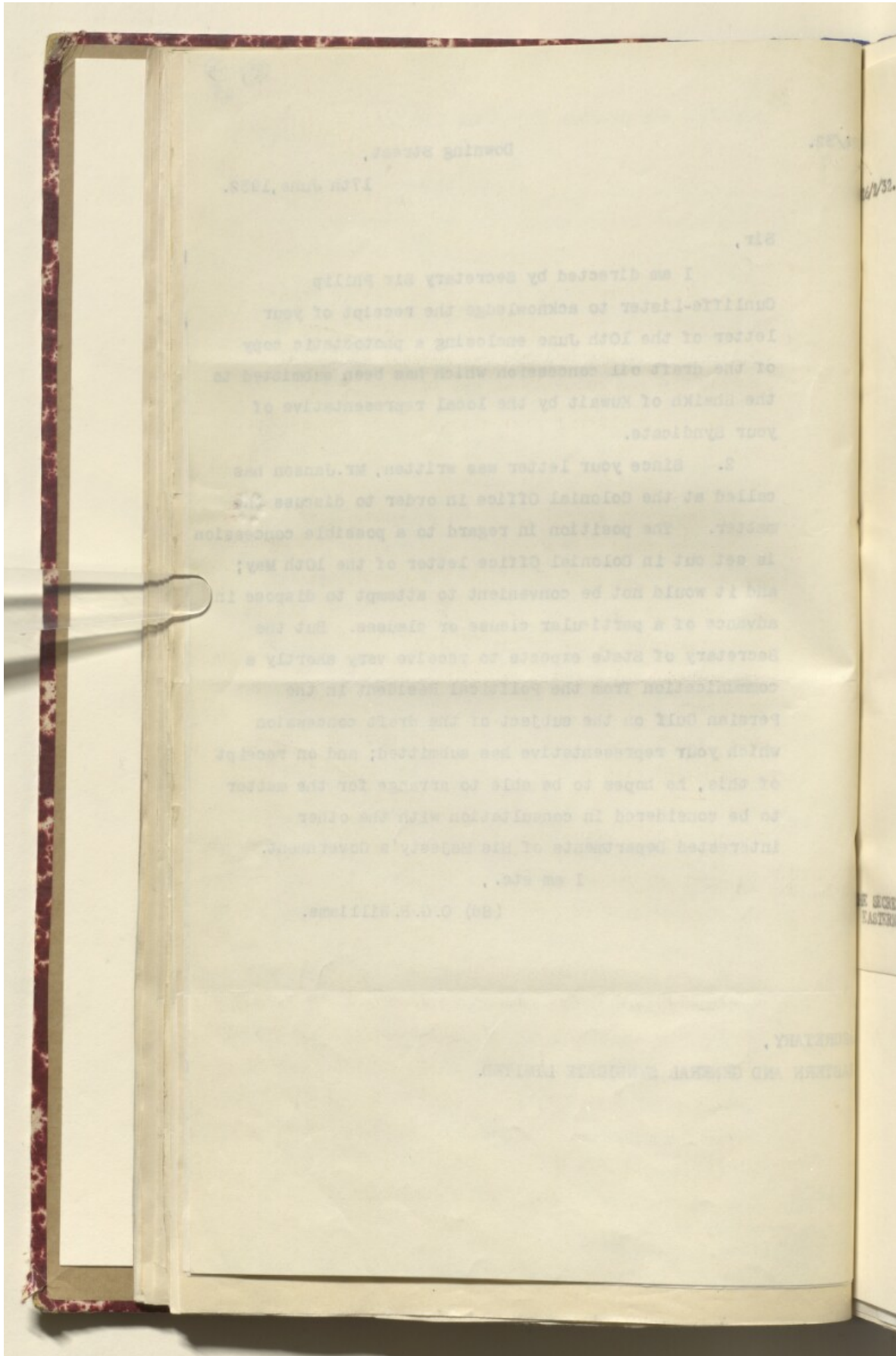
I am directed by Secretary Sir Philip Cunliffe-Lister to acknowledge the receipt of your letter of the 10th June enclosing a photostatic copy of the draft oil concession which has been submitted to the Shaikh of Kuwait by the local representative of your Syndicate.

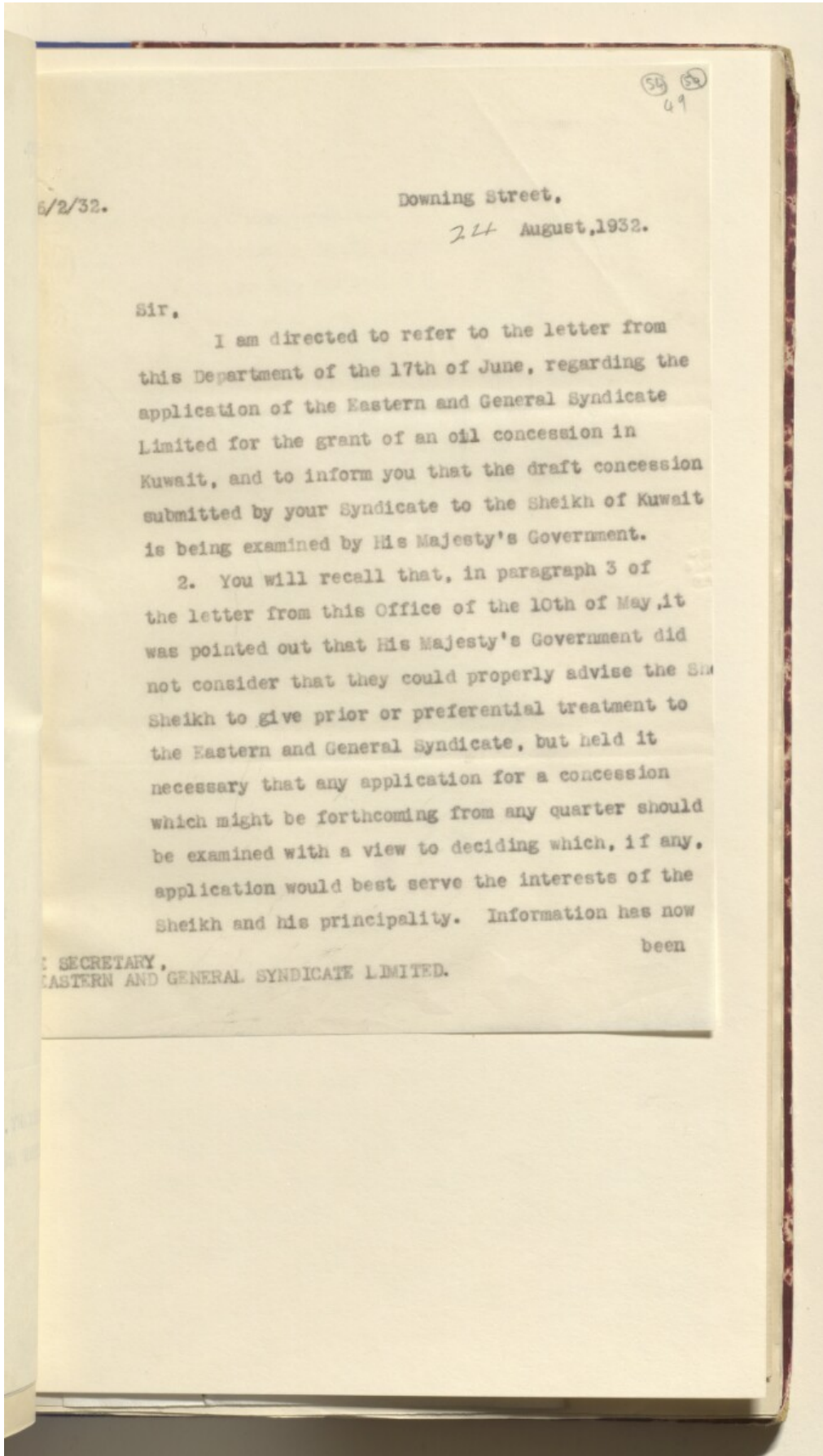
2. Since your letter was written, Mr. Janson has called at the Colonial Office in order to discuss the matter. The position in regard to a possible concession is set out in Colonial Office letter of the 10th May; and it would not be convenient to attempt to dispose in advance of a particular clause or clauses. But the Secretary of State expects to receive very shortly a communication from the Political Resident in the Persian Gulf on the subject of the draft concession which your representative has submitted; and on receipt of this, he hopes to be able to arrange for the matter to be considered in consultation with the other interested Departments of His Majesty's Government.

I am etc.,

(Sd) O. G. R. Williams.

SECRETARY,
EASTERN AND GENERAL SYNDICATE LIMITED.





6/2/32.

Downing Street.

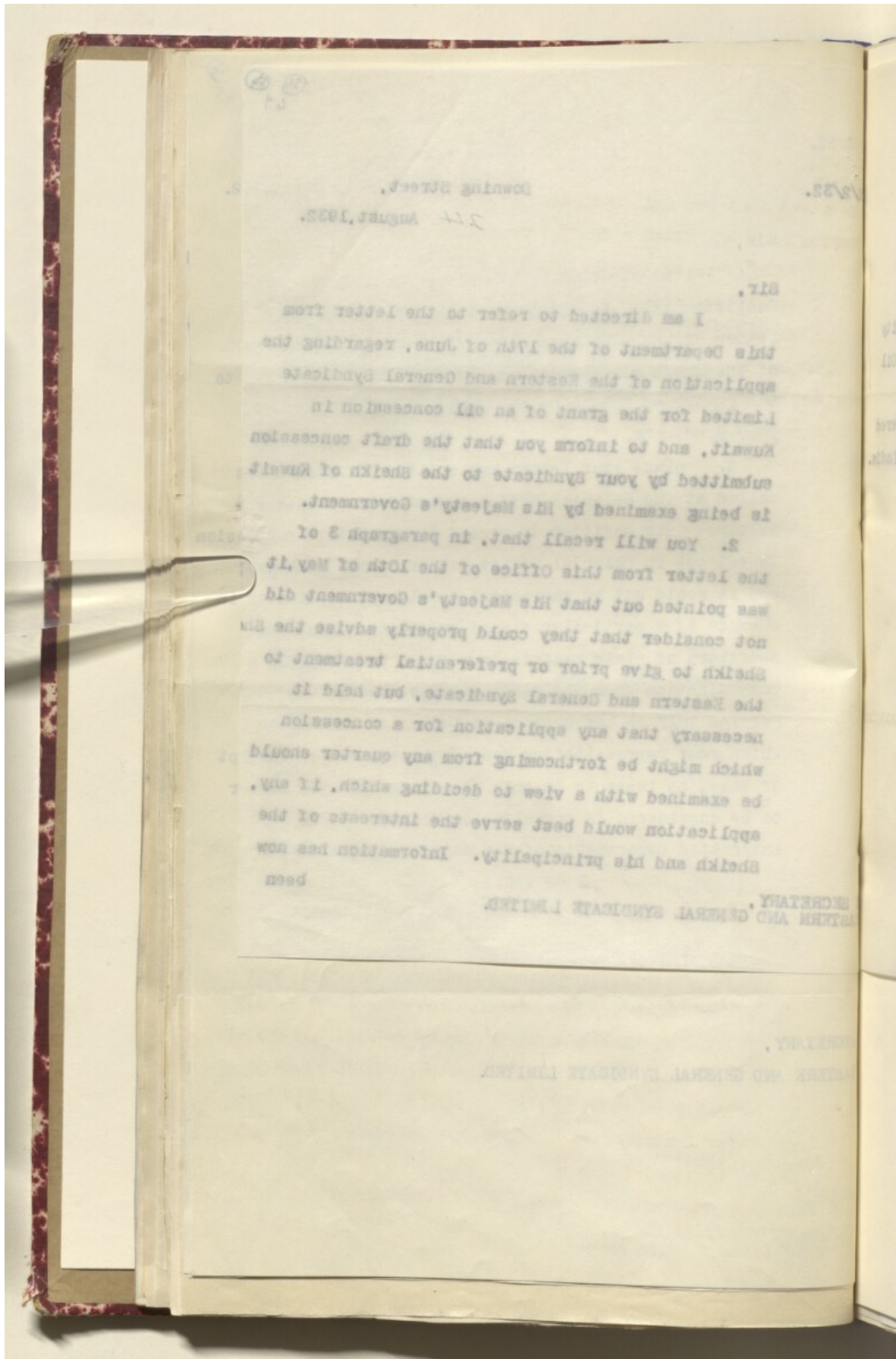
24 August, 1932.

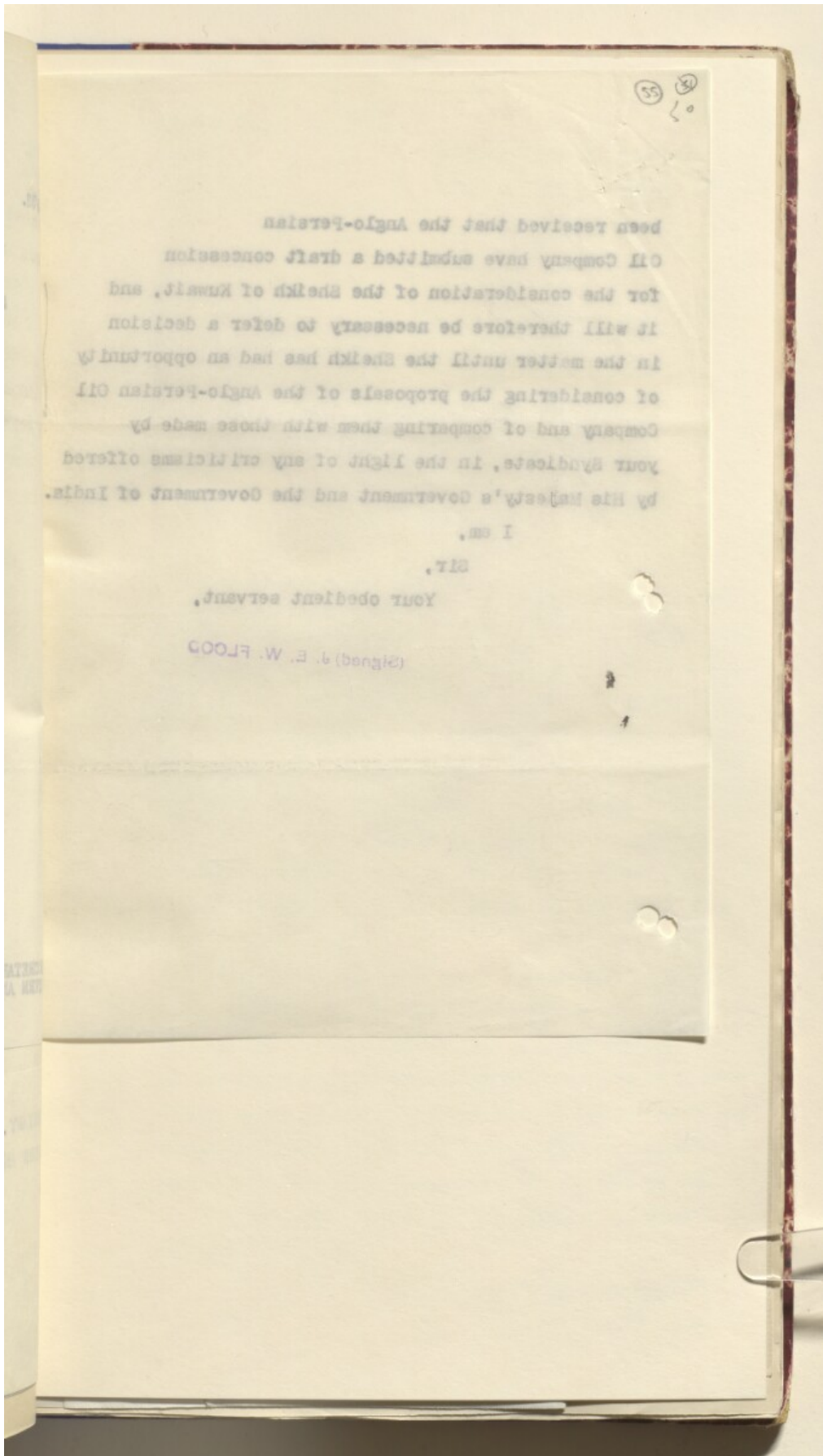
Sir,

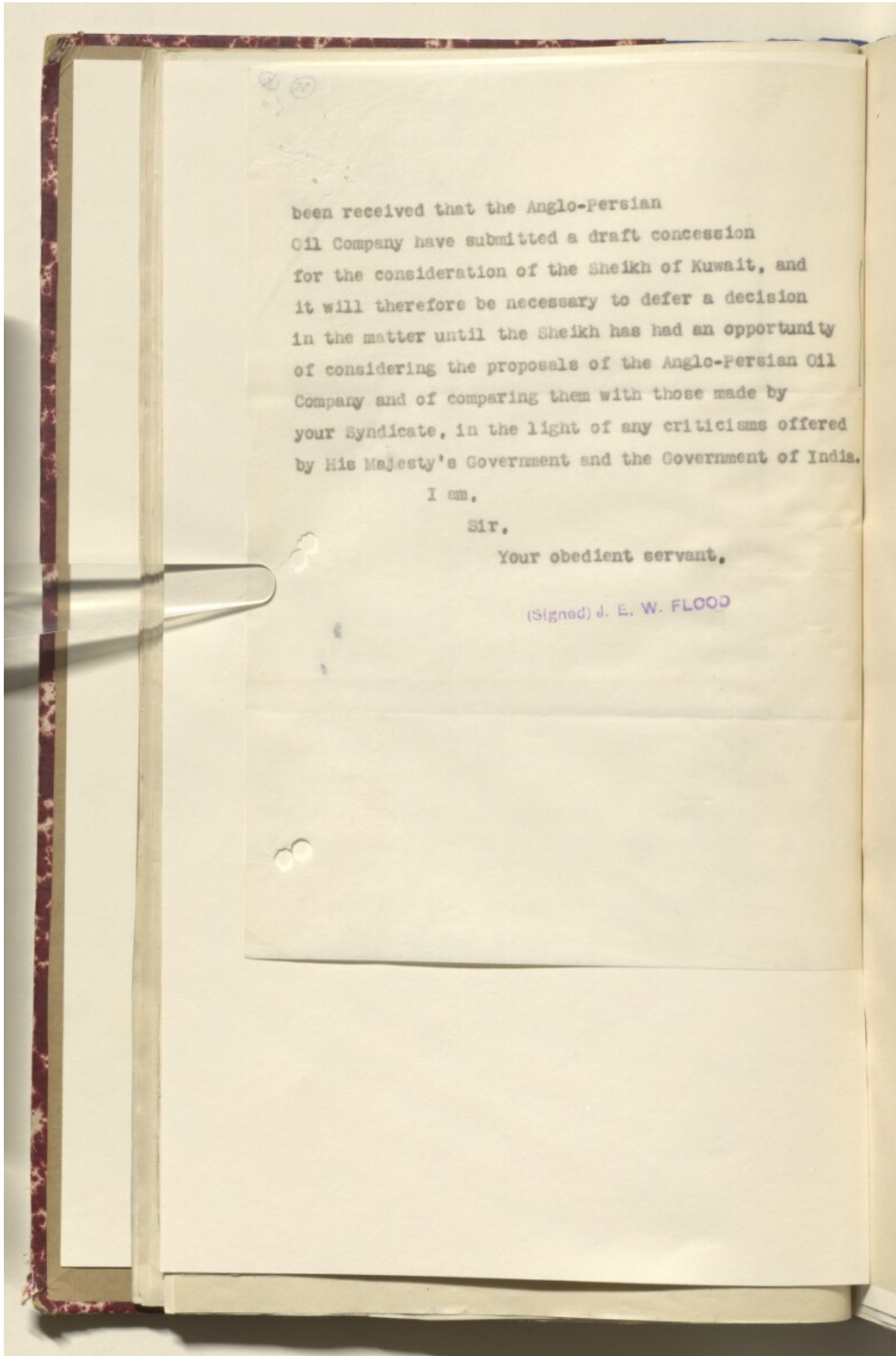
I am directed to refer to the letter from this Department of the 17th of June, regarding the application of the Eastern and General Syndicate Limited for the grant of an oil concession in Kuwait, and to inform you that the draft concession submitted by your Syndicate to the Sheikh of Kuwait is being examined by His Majesty's Government.

2. You will recall that, in paragraph 3 of the letter from this Office of the 10th of May, it was pointed out that His Majesty's Government did not consider that they could properly advise the Sheikh to give prior or preferential treatment to the Eastern and General Syndicate, but held it necessary that any application for a concession which might be forthcoming from any quarter should be examined with a view to deciding which, if any, application would best serve the interests of the Sheikh and his principality. Information has now been

SECRETARY,
EASTERN AND GENERAL SYNDICATE LIMITED.







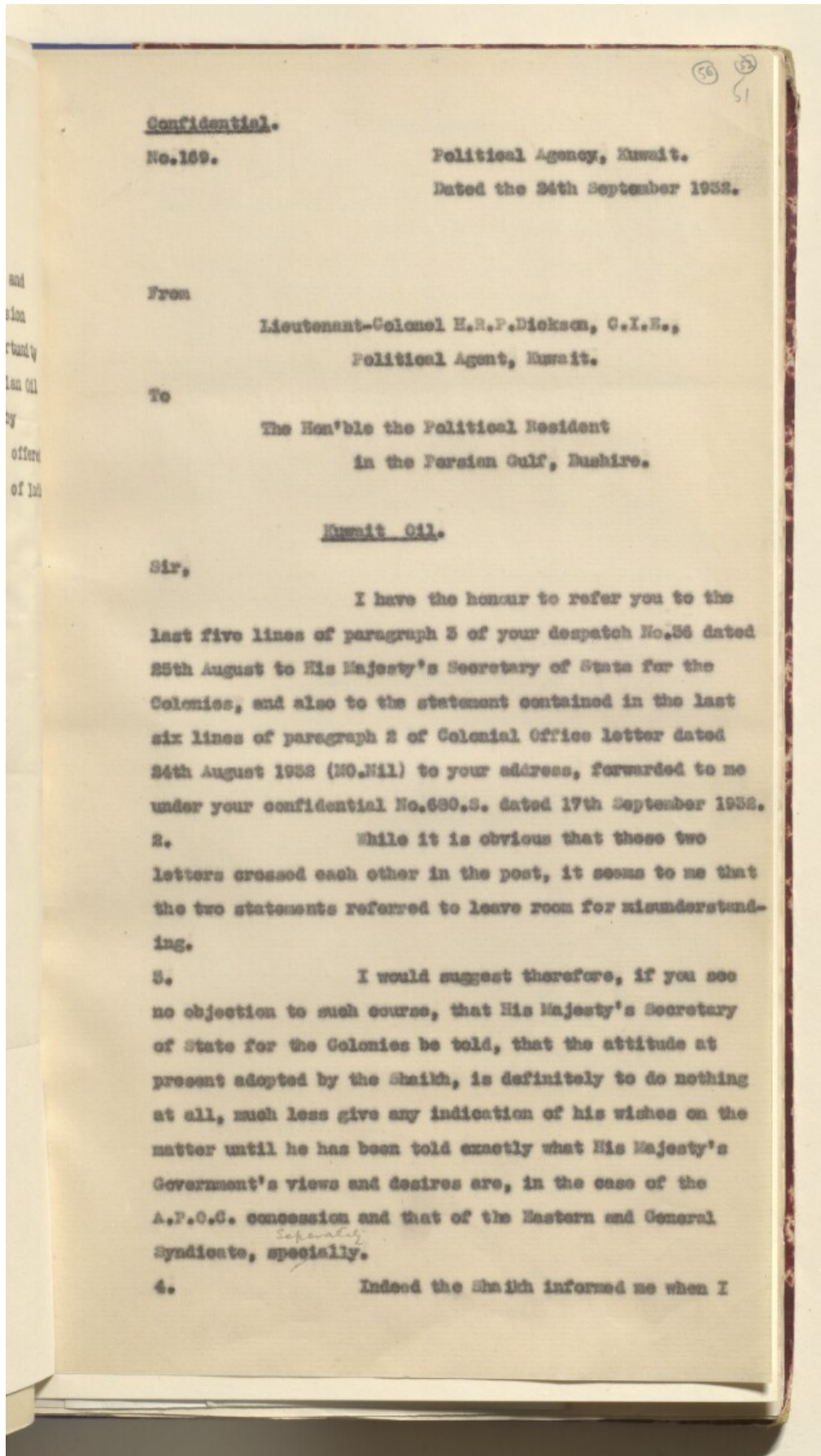
been received that the Anglo-Persian Oil Company have submitted a draft concession for the consideration of the Sheikh of Kuwait, and it will therefore be necessary to defer a decision in the matter until the Sheikh has had an opportunity of considering the proposals of the Anglo-Persian Oil Company and of comparing them with those made by your Syndicate, in the light of any criticisms offered by His Majesty's Government and the Government of India.

I am,

Sir,

Your obedient servant,

(Signed) J. E. W. FLOOD



Confidential.

No.169.

Political Agency, Kuwait.

Dated the 24th September 1932.

From

Lieutenant-Colonel H.R.P. Dickson, C.I.E.,
Political Agent, Kuwait.

To

The Hon'ble the Political Resident
in the Persian Gulf, Dushire.

Kuwait Oil.

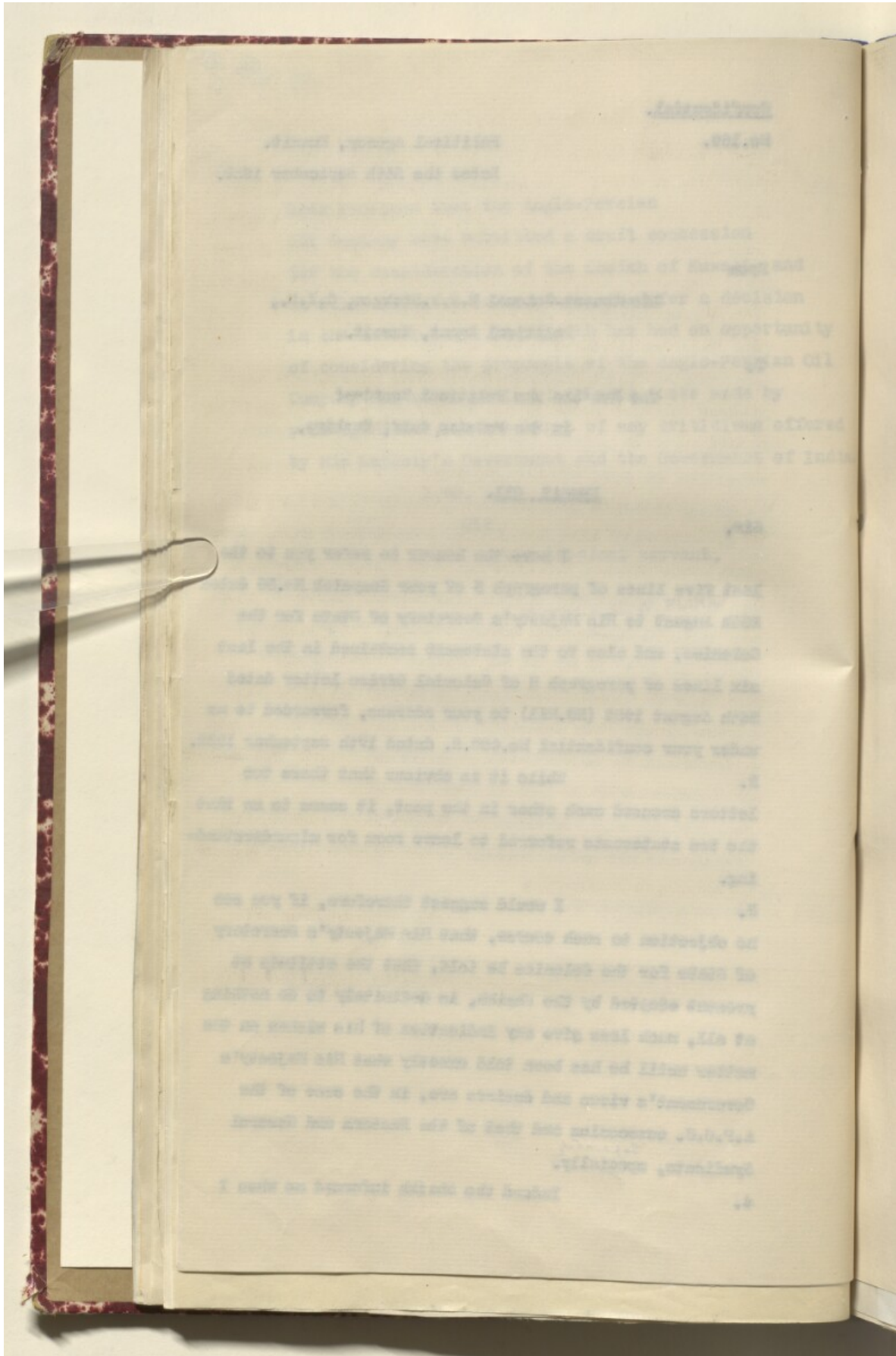
Sir,

I have the honour to refer you to the last five lines of paragraph 3 of your despatch No.56 dated 25th August to His Majesty's Secretary of State for the Colonies, and also to the statement contained in the last six lines of paragraph 2 of Colonial Office letter dated 24th August 1932 (NO.Nil) to your address, forwarded to me under your confidential No.690.S. dated 17th September 1932.

2. While it is obvious that these two letters crossed each other in the post, it seems to me that the two statements referred to leave room for misunderstanding.

3. I would suggest therefore, if you see no objection to such course, that His Majesty's Secretary of State for the Colonies be told, that the attitude at present adopted by the Shaikh, is definitely to do nothing at all, much less give any indication of his wishes on the matter until he has been told exactly what His Majesty's Government's views and desires are, in the case of the A.P.O.C. concession and that of the Eastern and General Syndicate, specially.

4. Indeed the Shaikh informed me when I





-3-

I conveyed to him the substance of paragraph 6 of your despatch No.36 dated the 25th August to His Majesty's Secretary of State, that as far as he was concerned, he had neither examined the Eastern and General Syndicate's draft concession nor that of the A.P.O.C., except in most superficial manner. Nor had he any intention at all of comparing the two or expressing any views on them, either to me or to the representatives of either of the rival companies.

Mr. Chisholm tells me that he was told exactly the same thing by the Shaikh the day after my interview with him.

5. Clearly the Shaikh's attitude is to "give nothing away", until such time, as he has been given an indication of what His Majesty's Government want. Then as I understand it, his idea is to go ahead independently of further advice from anyone, and himself decide to whom to grant the concession, always provided the company he favours, agrees to insert any clauses or conditions that His Majesty's Government would like to add. In other words I rather guess that the Shaikh thinks it should be his own prerogative, to do the actual deciding as between the Eastern and General Syndicate and the A.P.O.C. Ltd.

6. My attitude, of course, is that already laid down for me by His Majesty's Government, namely one of the strictest neutrality.

I have the honour to be,

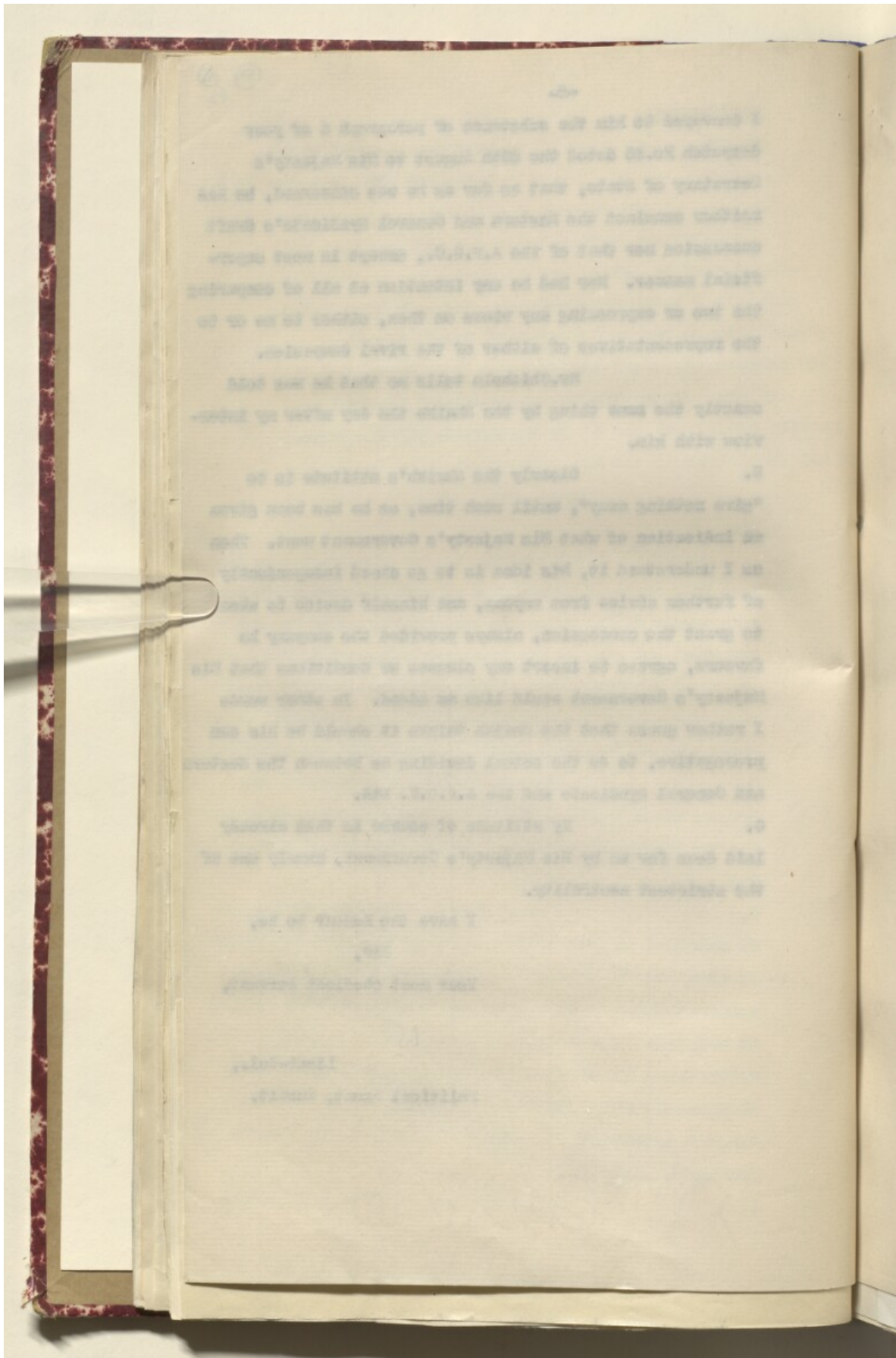
Sir,

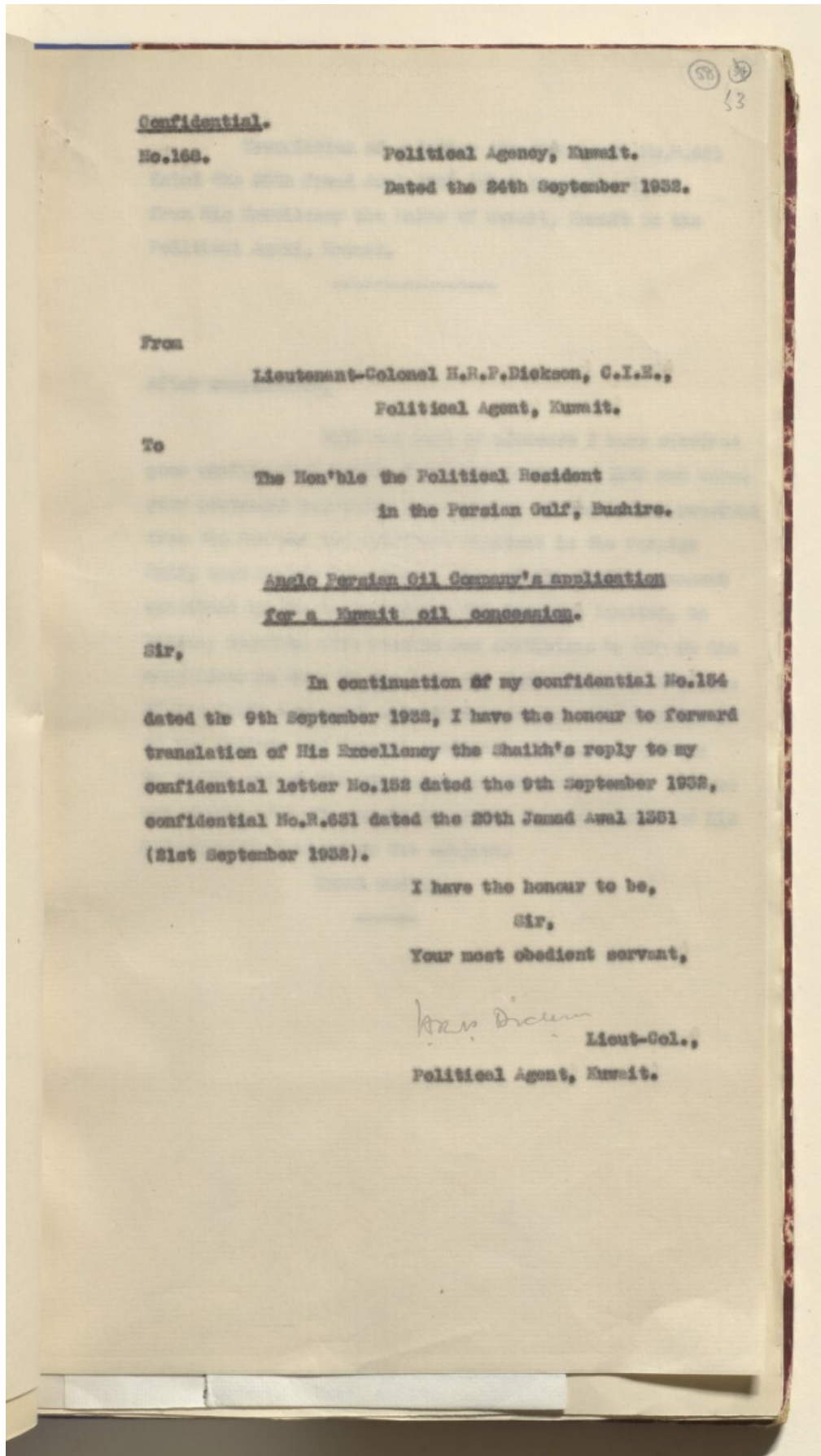
Your most obedient servant,

W

Lieut-Col.,

Political Agent, Kuwait.





Confidential.

No. 168.

Political Agency, Kuwait.

Dated the 24th September 1932.

From

Lieutenant-Colonel H.R.F. Dickson, C.I.E.,

Political Agent, Kuwait.

To

The Hon'ble the Political Resident

in the Persian Gulf, Bushire.

Anglo-Persian Oil Company's application
for a Kuwait oil concession.

Sir,

In continuation of my confidential No. 164 dated the 9th September 1932, I have the honour to forward translation of His Excellency the Shaikh's reply to my confidential letter No. 152 dated the 9th September 1932, confidential No. R. 651 dated the 20th Jamad Awal 1351 (21st September 1932).

I have the honour to be,

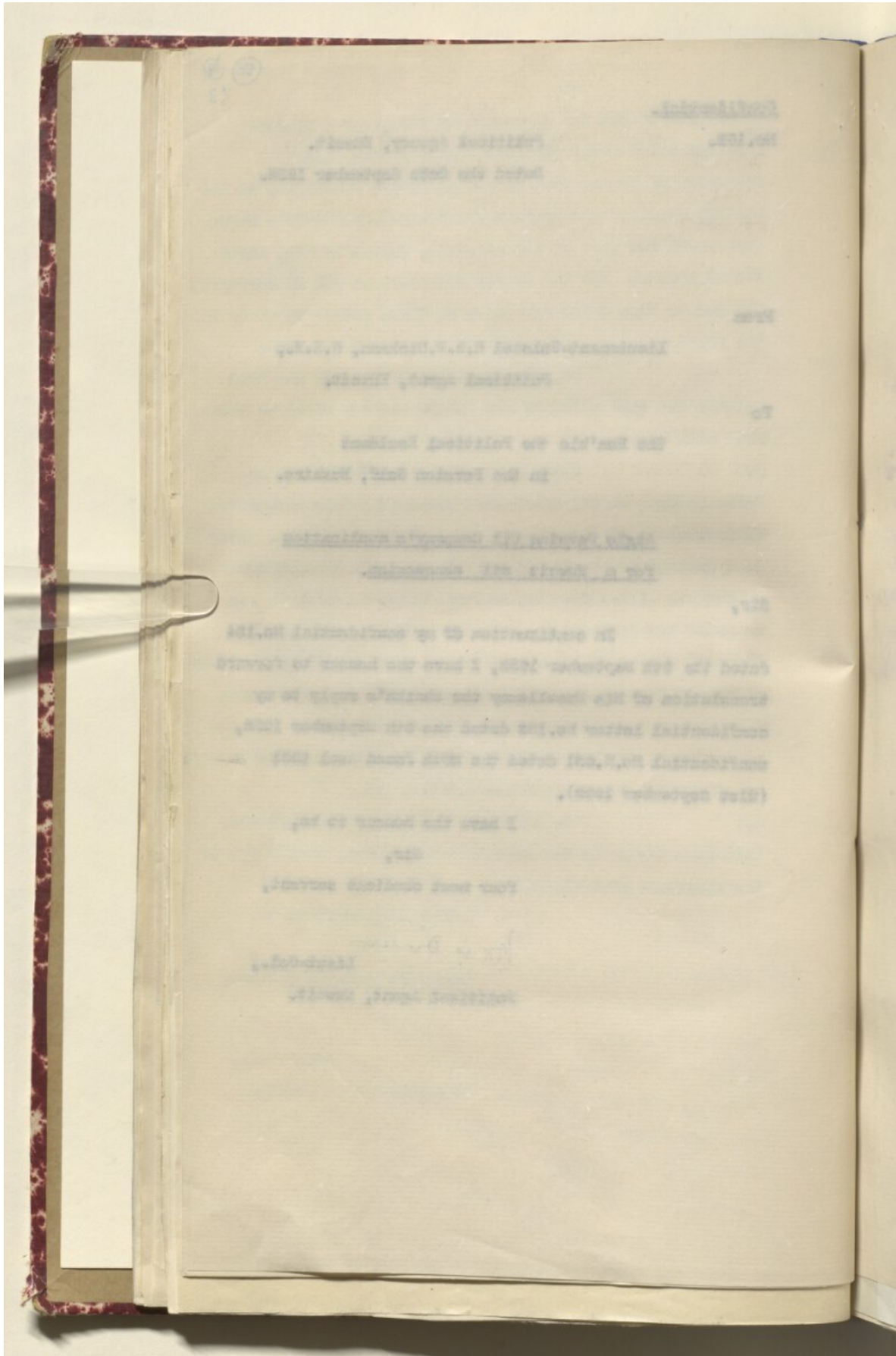
Sir,

Your most obedient servant,

H.R.F. Dickson

Lieut-Col.,

Political Agent, Kuwait.



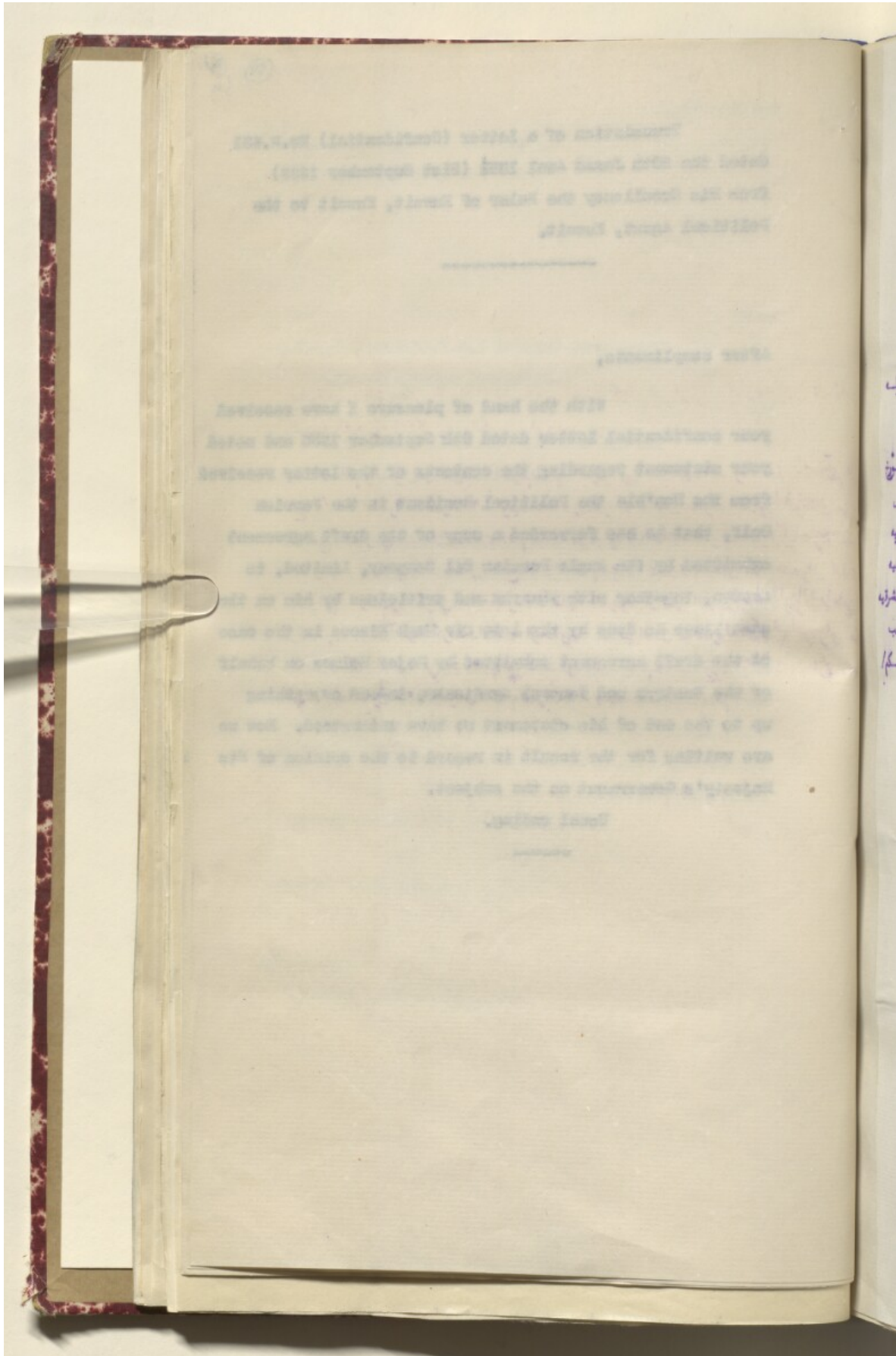


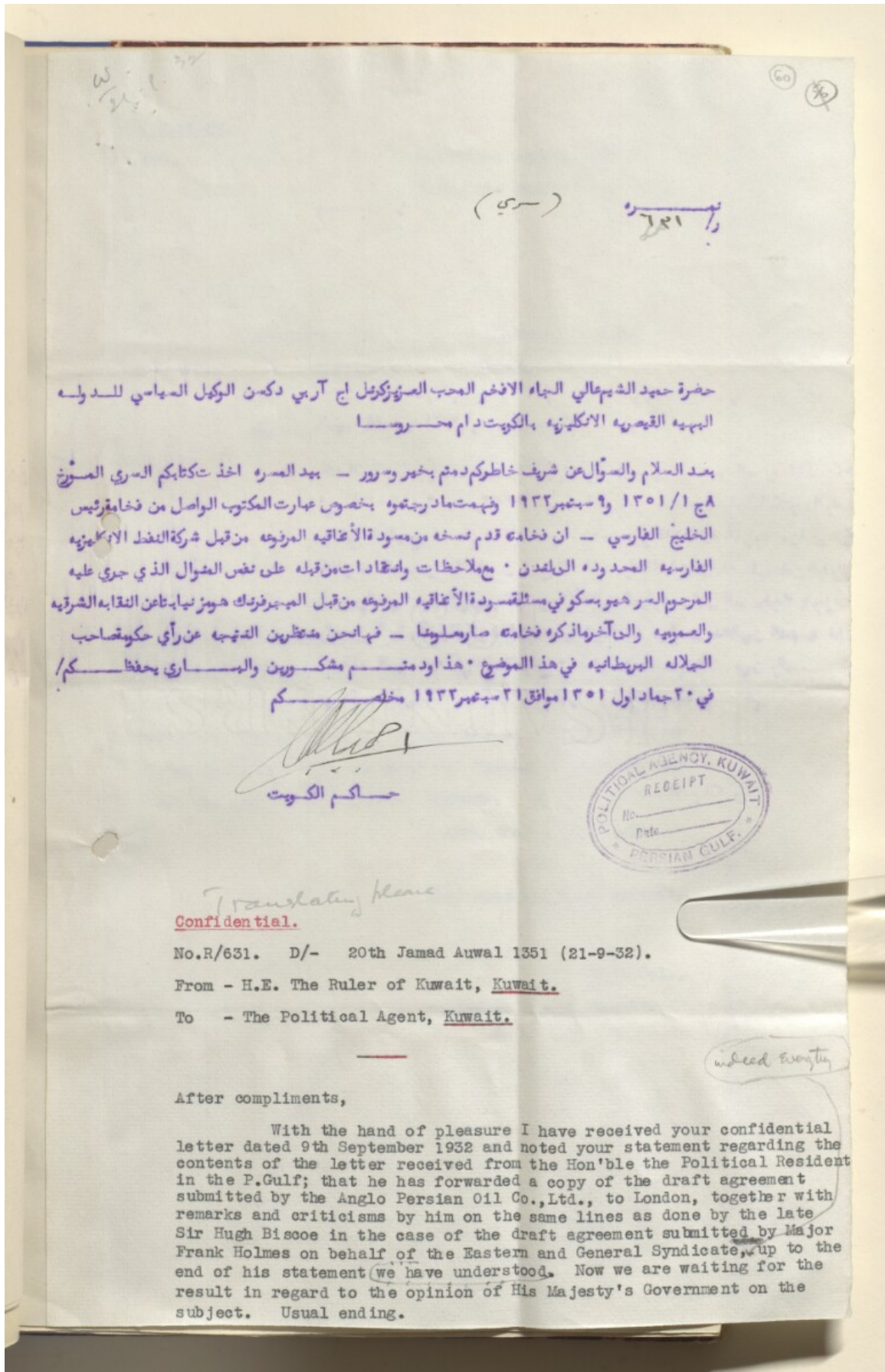
Translation of a letter (Confidential) No.R.651
dated the 20th Jamad Awal 1351 (21st September 1932)
from His Excellency the Ruler of Kuwait, Kuwait to the
Political Agent, Kuwait.

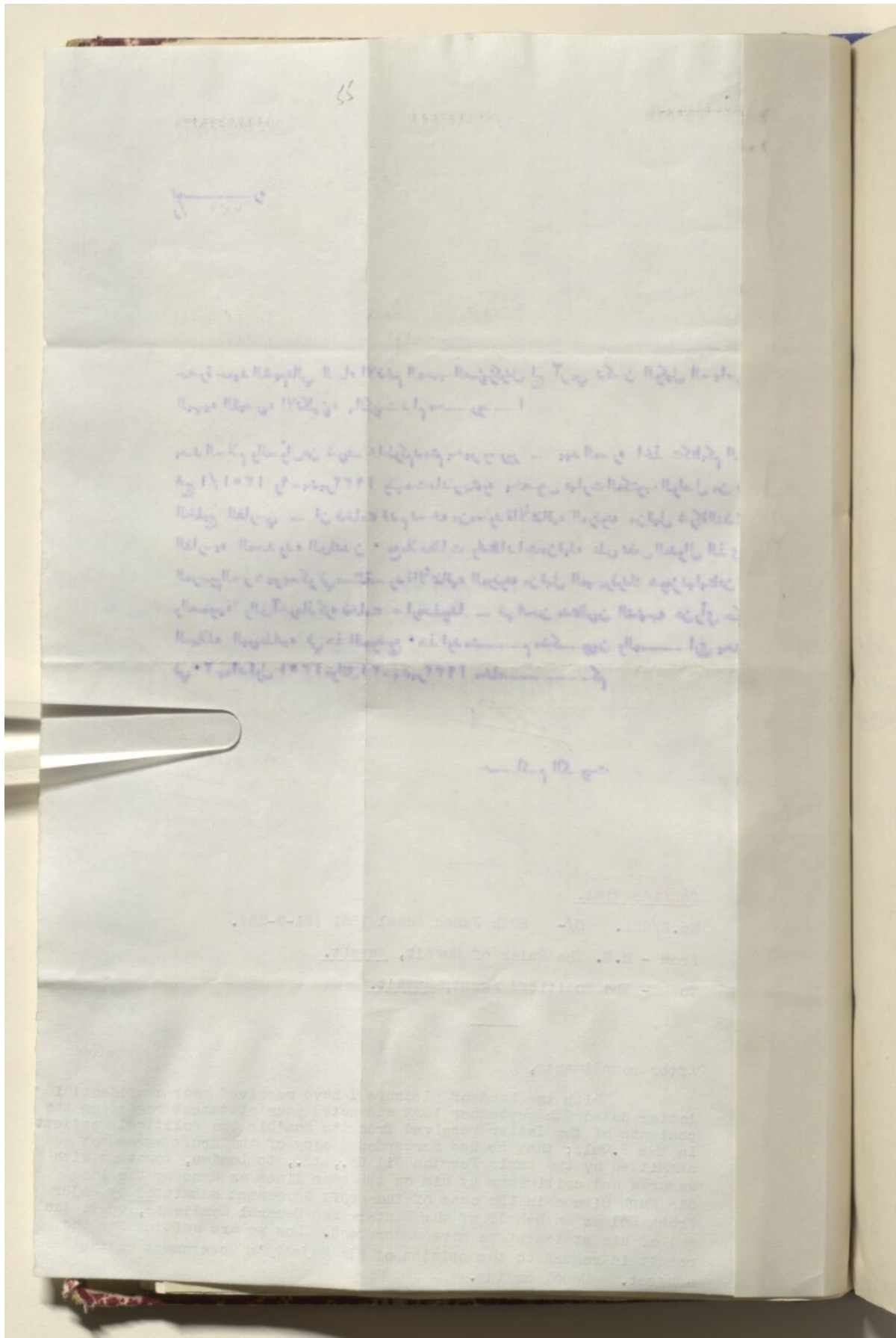
After compliments,

With the hand of pleasure I have received
your confidential letter dated 9th September 1932 and noted
your statement regarding the contents of the letter received
from the Hon'ble the Political Resident in the Persian
Gulf, that he has forwarded a copy of the draft agreement
submitted by the Anglo Persian Oil Company, Limited, to
London, together with remarks and criticisms by him on the
same lines as done by the late Sir Hugh Biscoe in the case
of the draft agreement submitted by Major Holmes on behalf
of the Eastern and General Syndicate, indeed everything
up to the end of his statement we have understood. Now we
are waiting for the result in regard to the opinion of His
Majesty's Government on the subject.

Usual ending.









Confidential.

No.175.

Political Agency, Kuwait.

Dated the 2nd October 1932.

From

Lieutenant-Colonel H.R.P. Dickson, C.I.E.,
Political Agent, Kuwait.

To

The Hon'ble the Political Resident
in the Persian Gulf, Bushire.

Major Holmes.

Sir,

I have the honour to report that Major F. Holmes of the Eastern and General Syndicate arrived in Kuwait by the up mail from Bahrain on Tuesday 27th September and left for Basrah on 29th September. He returned again on 1st October 1932 to Kuwait. I was able to introduce him to Mr. Chisholm of the Anglo Persian Oil Company Limited in the Agency, the day he arrived from Bahrain.

I have the honour to be,

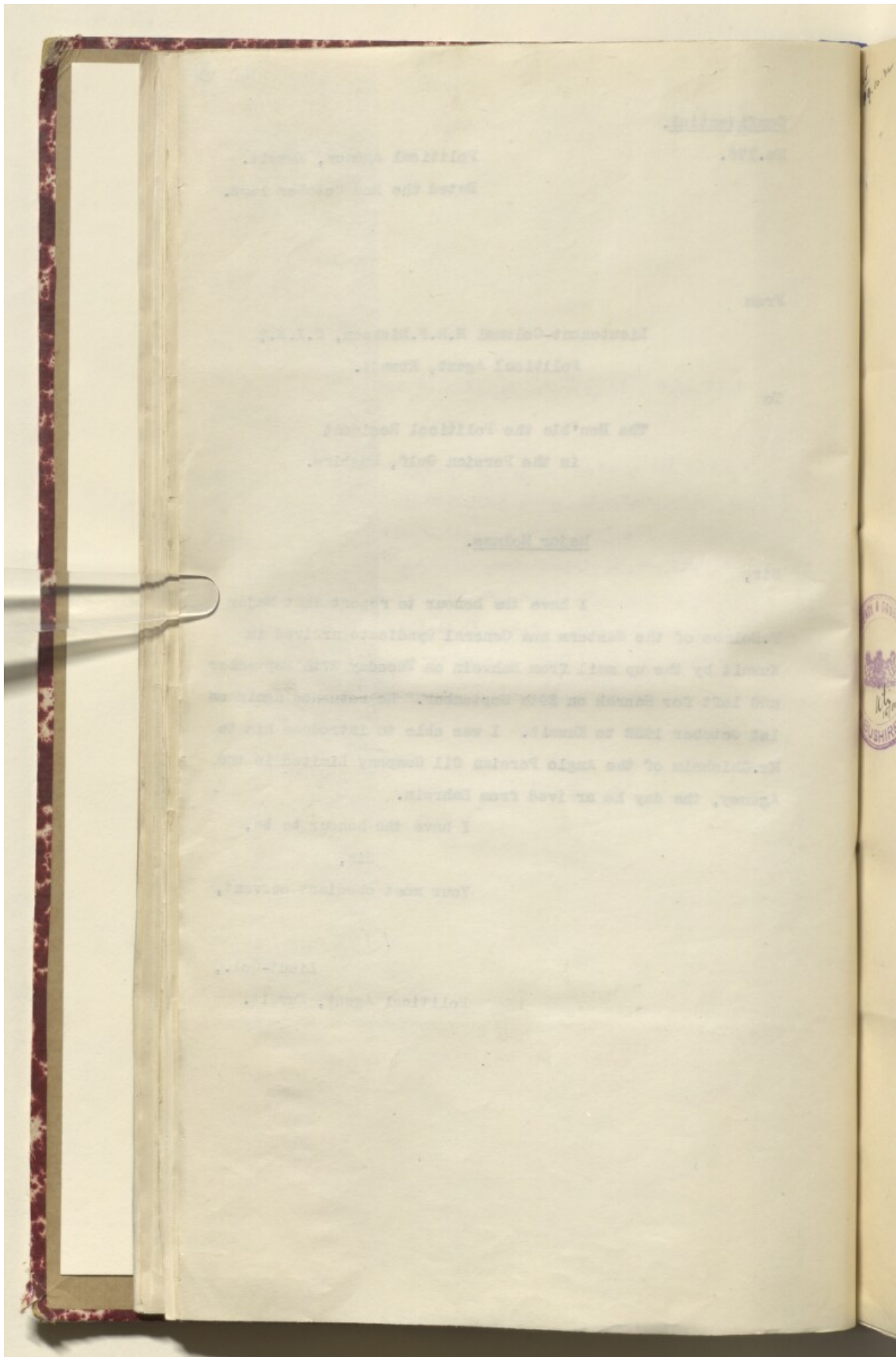
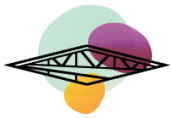
Sir,

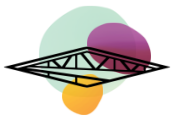
Your most obedient servant,

W

Lieut-Col.,

Political Agent, Kuwait.





140.32

(62) 32
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CONFIDENTIAL.

No. 781-S of 1932.

The Secretary to the Hon'ble the Political Resident in the Persian Gulf
presents his compliments to the Political Agent, Kuwait,

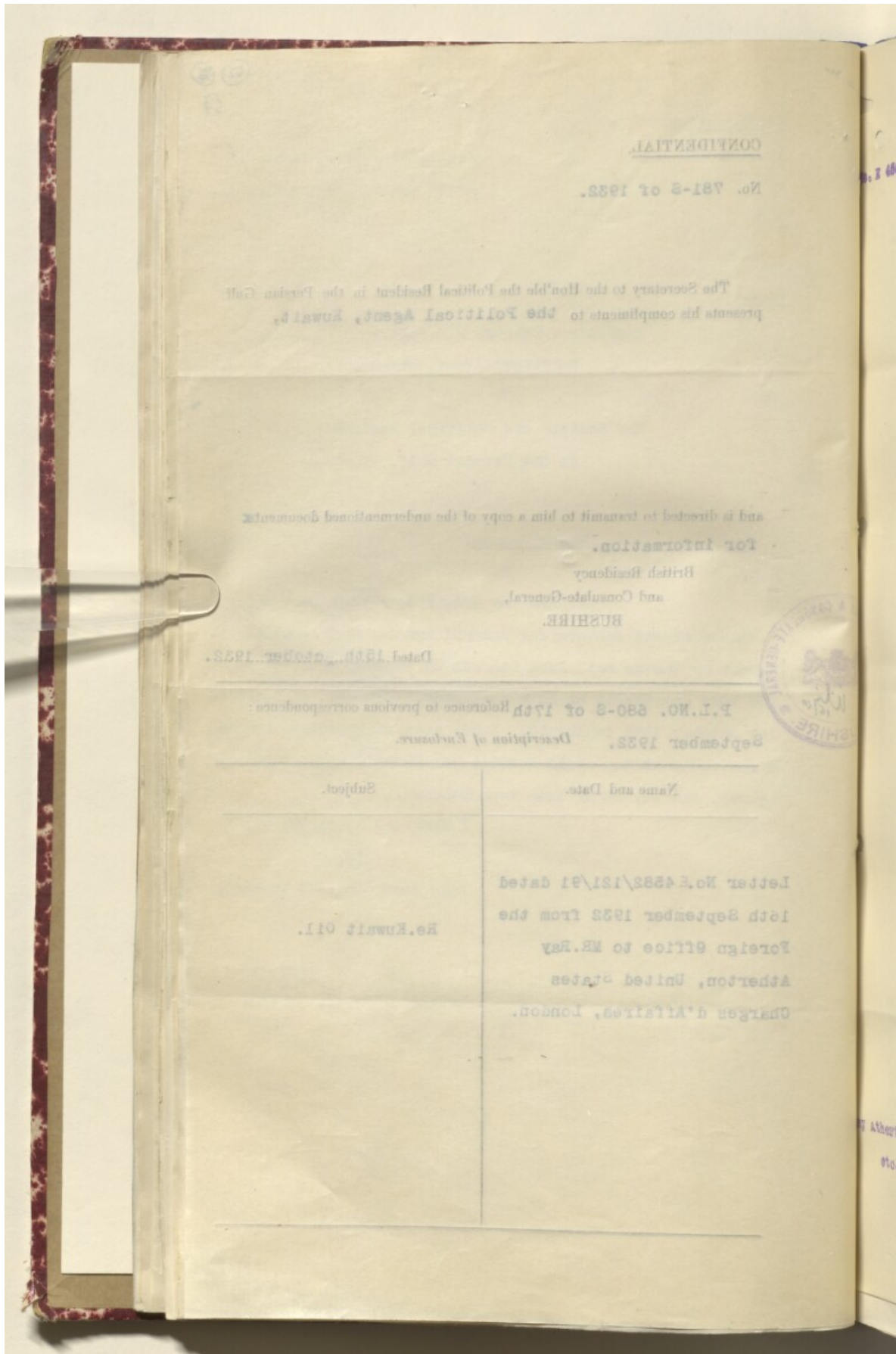
and is directed to transmit to him a copy of the undermentioned documentx
for information.

British Residency
and Consulate-General,
BUSHIRE.

Dated 15th October 1932.

P.L.NO. 680-S of 17th Reference to previous correspondence :
September 1932. Description of Enclosure.

Name and Date.	Subject.
Letter No.E.4582/121/91 dated 16th September 1932 from the Foreign Office to MR.Ray Atherton, United States Charges d'Affaires, London.	Re.Kuwait Oil.





Received under India Office P.L.No. 5683/ 32 undated.

E 4692/121/91.

FOREIGN OFFICE, S.W.I.

16th September, 1932.

Sir,

I have the honour to inform you that your note No.231 of the 6th September regarding the applications of the Eastern and General Syndicate and the Anglo-Persian Oil Company for an oil concession in Koweit has been considered by the Departments of His Majesty's Government in the United Kingdom concerned.

2. It appears from that note that the United States company interested in the application made by the Eastern and General Syndicate have represented the situation as being as follows. They state that the Eastern and General Syndicate have not yet learnt from the Colonial Office what alterations would be required in the draft concession submitted to the Sheikh by them, in order to render it satisfactory from the point of view of safeguarding the interests of His Majesty's Government. They contend that this fact precludes the Sheikh of Koweit from giving consideration to the Syndicate's application, but that there is nothing to prevent the Sheikh from taking a decision upon the application for a concession submitted by the Anglo-Persian Oil Company. They complain that the Syndicate are thus placed at a disadvantage in their efforts to obtain the desired concession. These contentions appear to be based upon a misunderstanding of the present position in the matter.

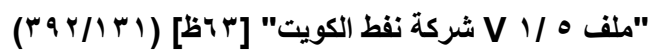
3. As you are aware from my note No. E 1725/121/91 of the 9th April, His Majesty's Government decided that they could not advise the Sheikh to give preferential treatment to the Syndicate,

Atherton, Esq.,

etc., etc., etc.

COPY SENT TO

Govt. of India

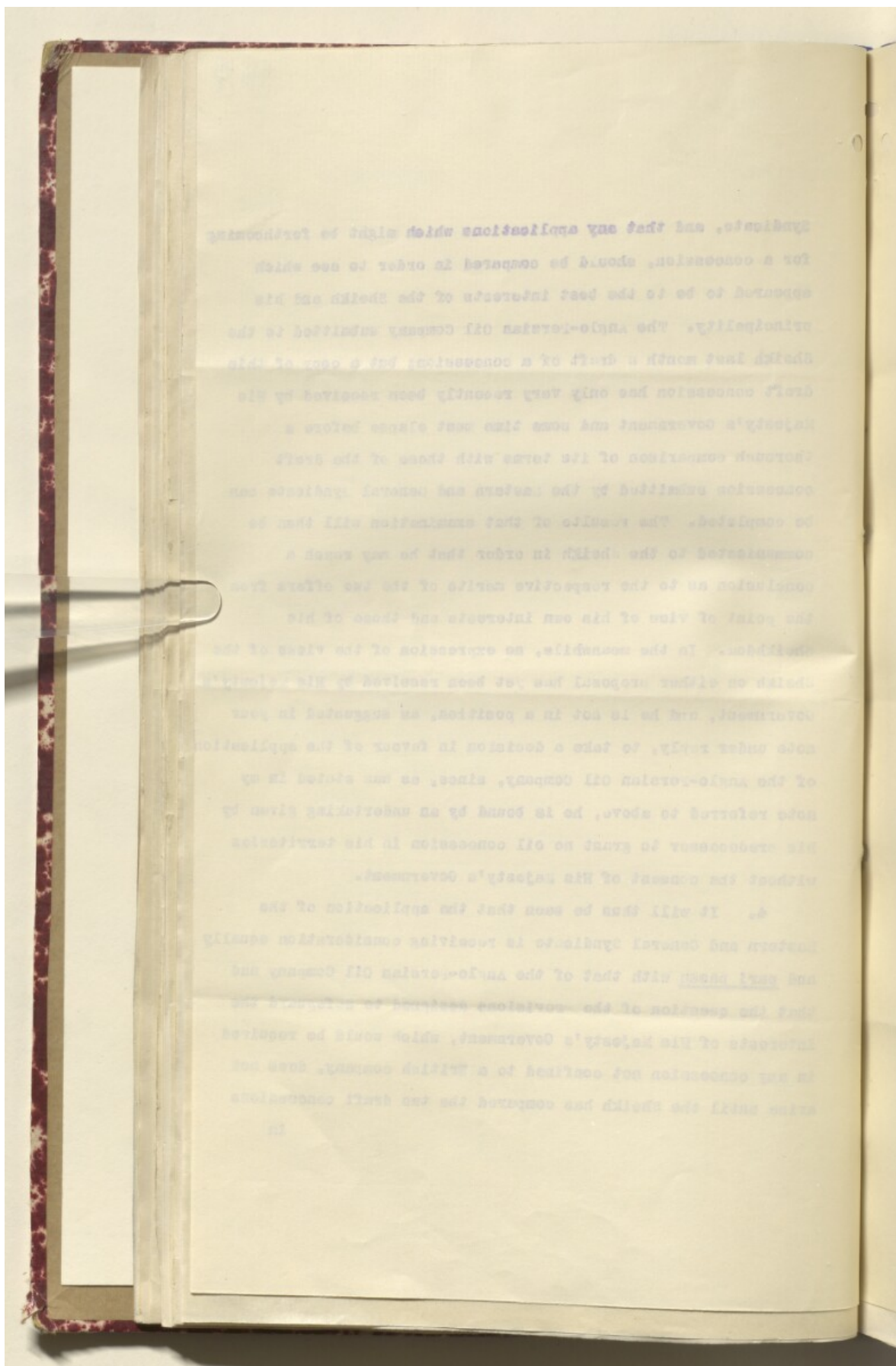




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Syndicate, and that any applications which might be forthcoming for a concession, should be compared in order to see which appeared to be to the best interests of the Sheikh and his principality. The Anglo-Persian Oil Company submitted to the Sheikh last month a draft of a concession; but a copy of this draft concession has only very recently been received by His Majesty's Government and some time must elapse before a thorough comparison of its terms with those of the draft concession submitted by the Eastern and General Syndicate can be completed. The results of that examination will then be communicated to the Sheikh in order that he may reach a conclusion as to the respective merits of the two offers from the point of view of his own interests and those of his Sheikhdom. In the meanwhile, no expression of the views of the Sheikh on either proposal has yet been received by His Majesty's Government, and he is not in a position, as suggested in your note under reply, to take a decision in favour of the application of the Anglo-Persian Oil Company, since, as was stated in my note referred to above, he is bound by an undertaking given by his predecessor to grant no oil concession in his territories without the consent of His Majesty's Government.

4. It will thus be seen that the application of the Eastern and General Syndicate is receiving consideration equally and pari passu with that of the Anglo-Persian Oil Company and that the question of the provisions designed to safeguard the interests of His Majesty's Government, which would be required in any concession not confined to a British company, does not arise until the Sheikh has compared the two draft concessions
in





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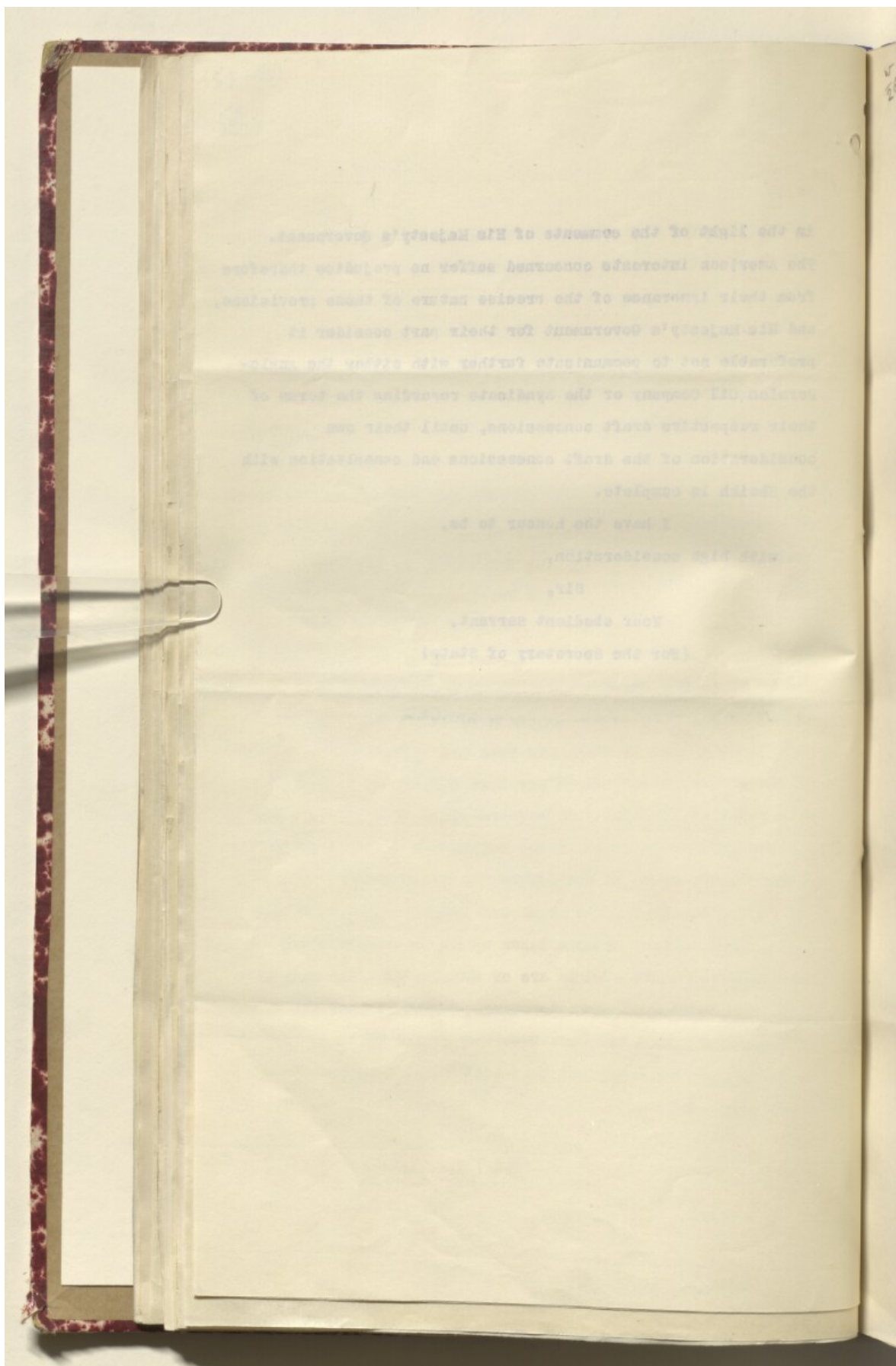
in the light of the comments of His Majesty's Government.
The American interests concerned suffer no prejudice therefore
from their ignorance of the precise nature of these provisions,
and His Majesty's Government for their part consider it
preferable not to communicate further with either the Anglo-
Persian Oil Company or the syndicate regarding the terms of
their respective draft concessions, until their own
consideration of the draft concessions and consultation with
the Sheikh is complete.

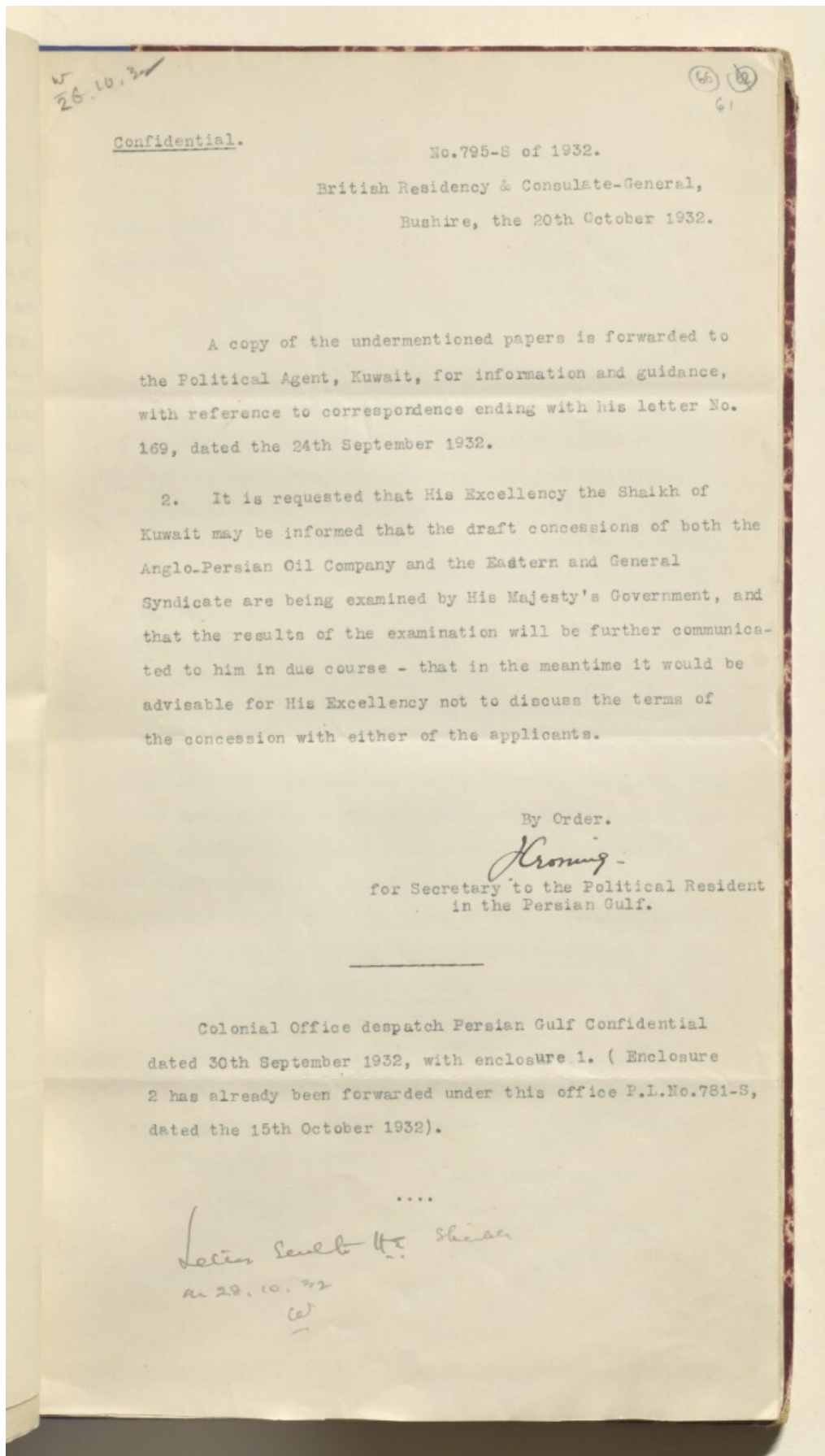
I have the honour to be,
with high consideration,

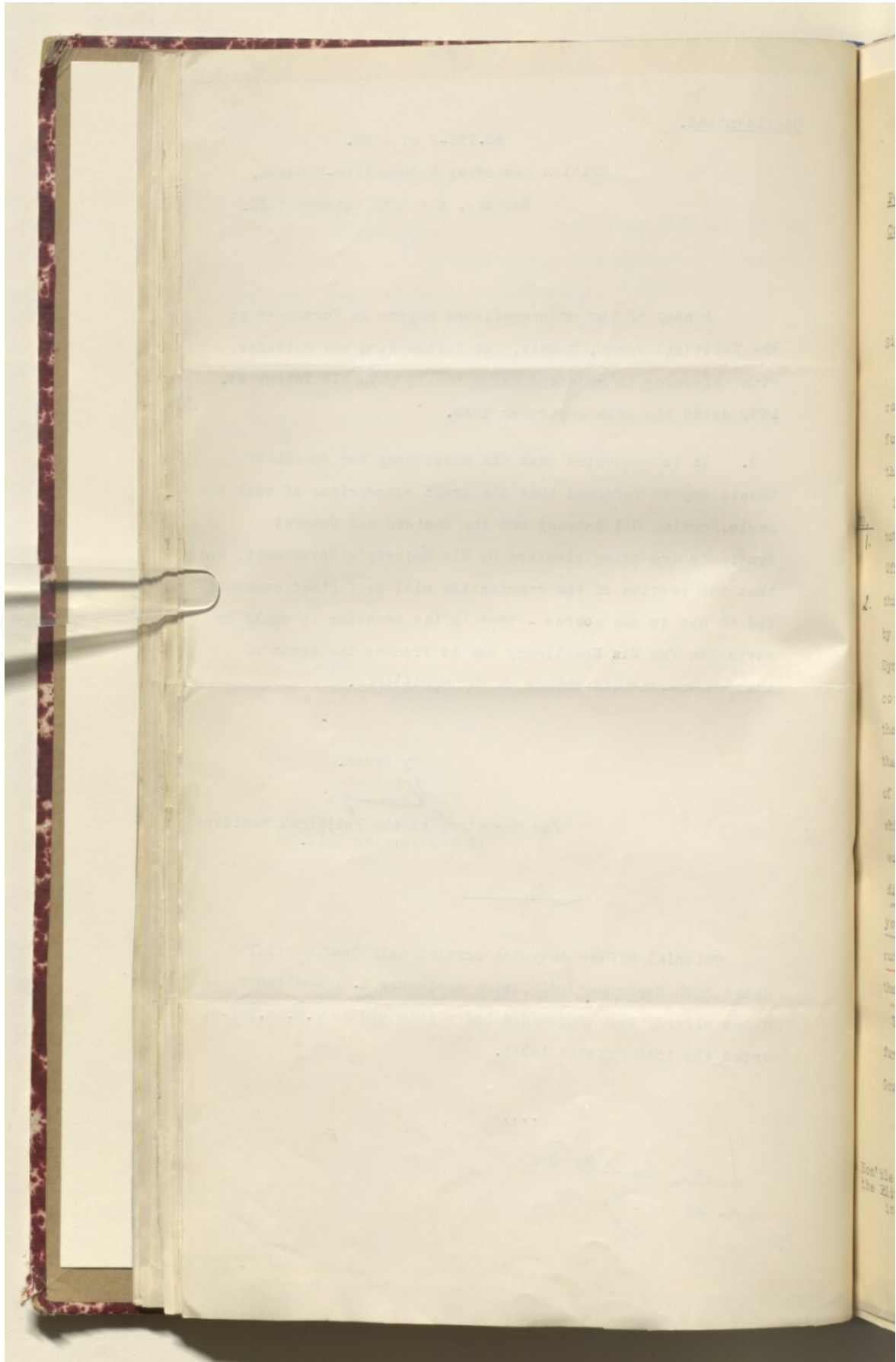
Sir,

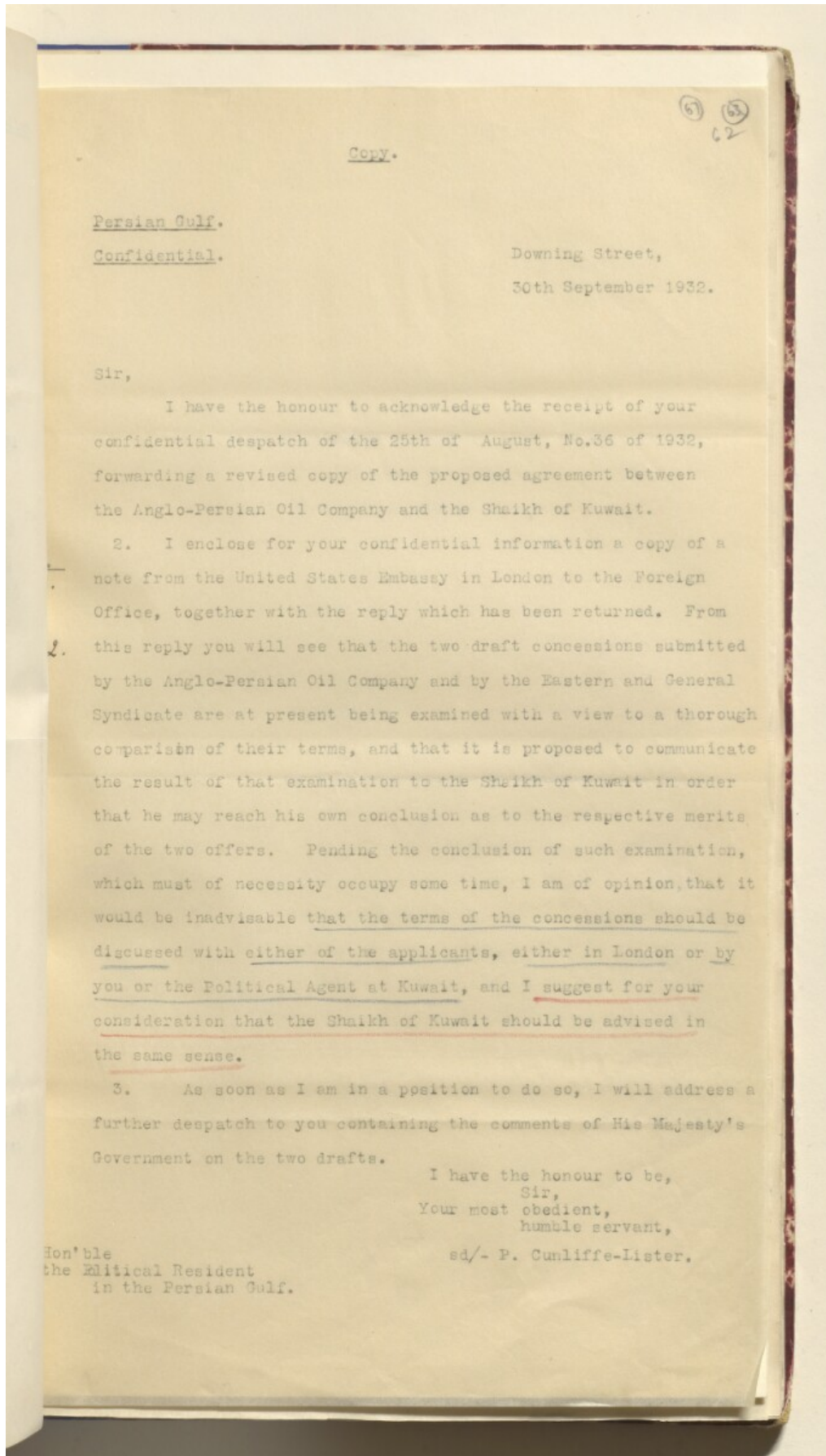
Your obedient servant,
(For the Secretary of State)

(Sd.) G. W. RENDEL









Copy.

Persian Gulf.

Confidential.

Downing Street,
30th September 1932.

Sir,

I have the honour to acknowledge the receipt of your confidential despatch of the 25th of August, No.36 of 1932, forwarding a revised copy of the proposed agreement between the Anglo-Persian Oil Company and the Shaikh of Kuwait.

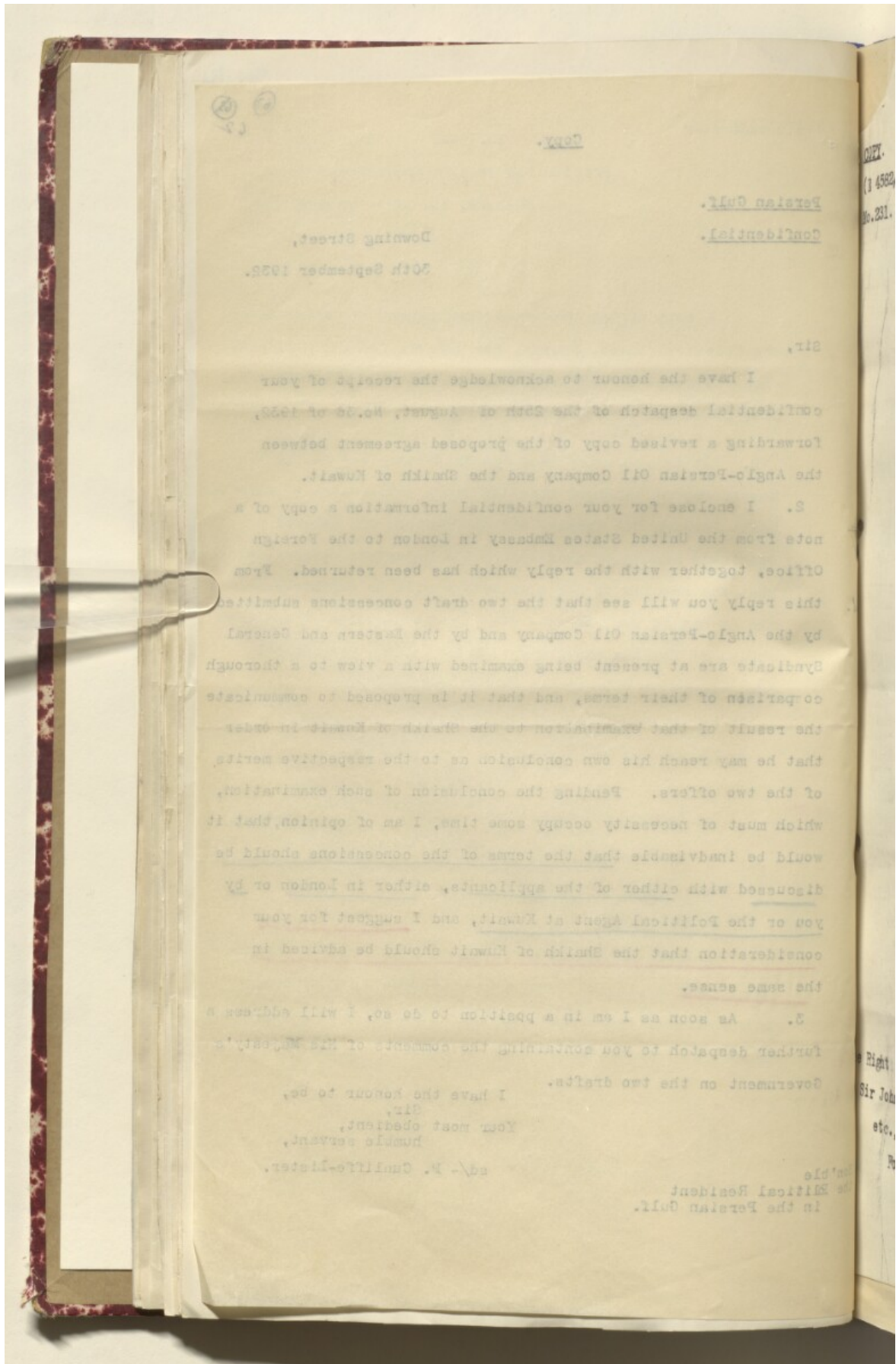
2. I enclose for your confidential information a copy of a note from the United States Embassy in London to the Foreign Office, together with the reply which has been returned. From this reply you will see that the two draft concessions submitted by the Anglo-Persian Oil Company and by the Eastern and General Syndicate are at present being examined with a view to a thorough comparison of their terms, and that it is proposed to communicate the result of that examination to the Shaikh of Kuwait in order that he may reach his own conclusion as to the respective merits of the two offers. Pending the conclusion of such examination, which must of necessity occupy some time, I am of opinion, that it would be inadvisable that the terms of the concessions should be discussed with either of the applicants, either in London or by you or the Political Agent at Kuwait, and I suggest for your consideration that the Shaikh of Kuwait should be advised in the same sense.

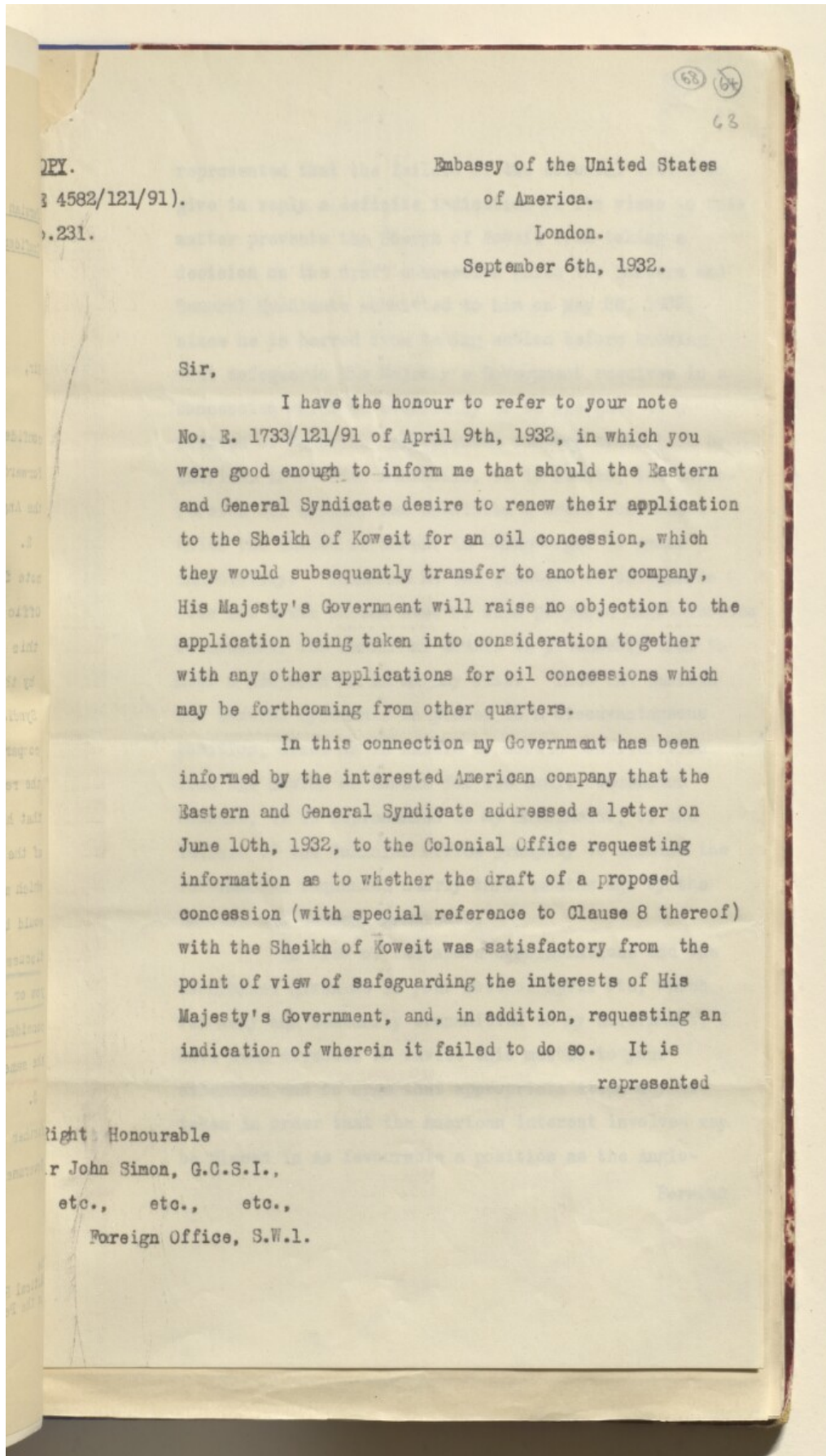
3. As soon as I am in a position to do so, I will address a further despatch to you containing the comments of His Majesty's Government on the two drafts.

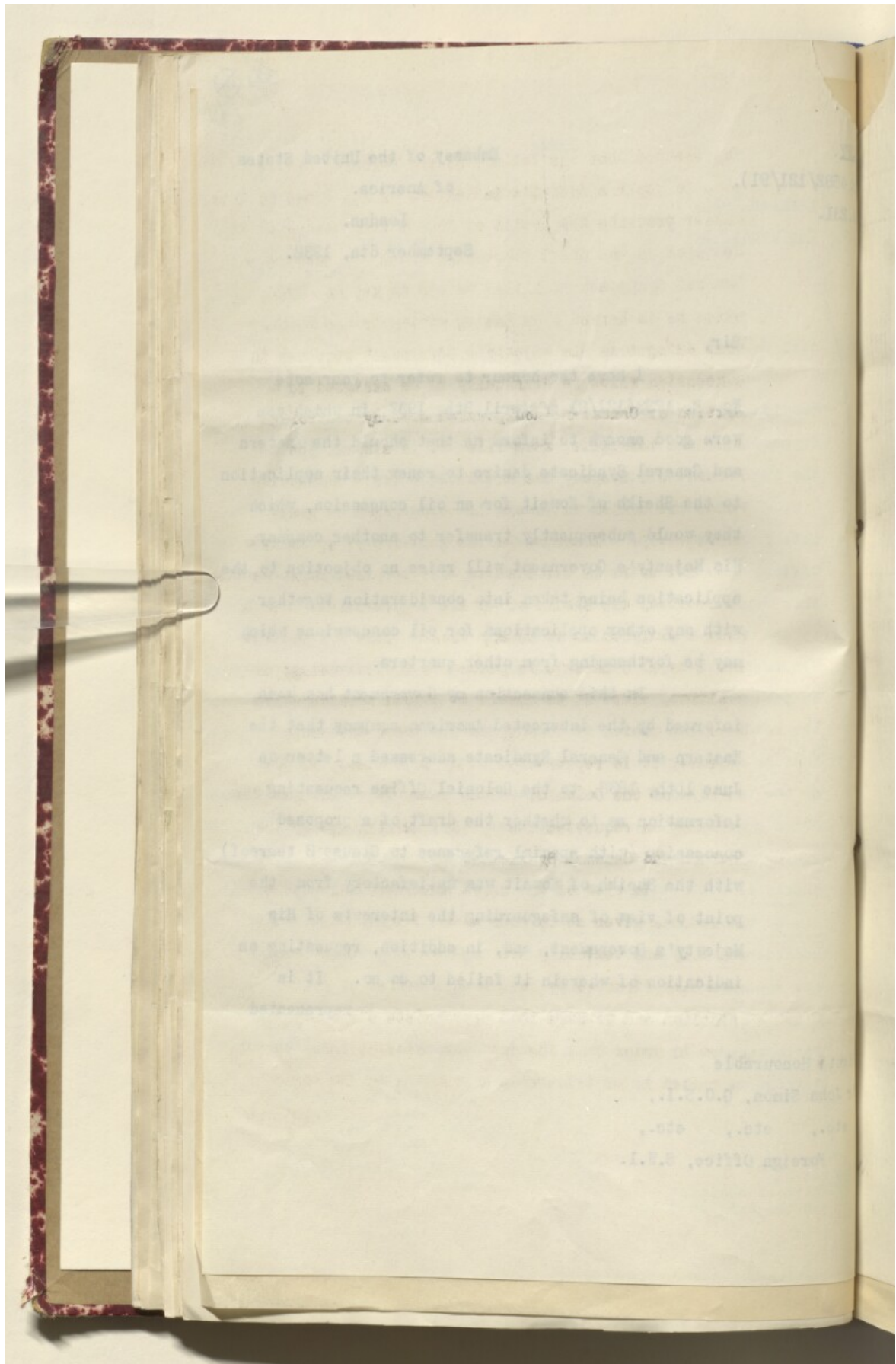
I have the honour to be,
Sir,
Your most obedient,
humble servant,

sd/- P. Cunliffe-Lister.

Hon'ble
the Political Resident
in the Persian Gulf.



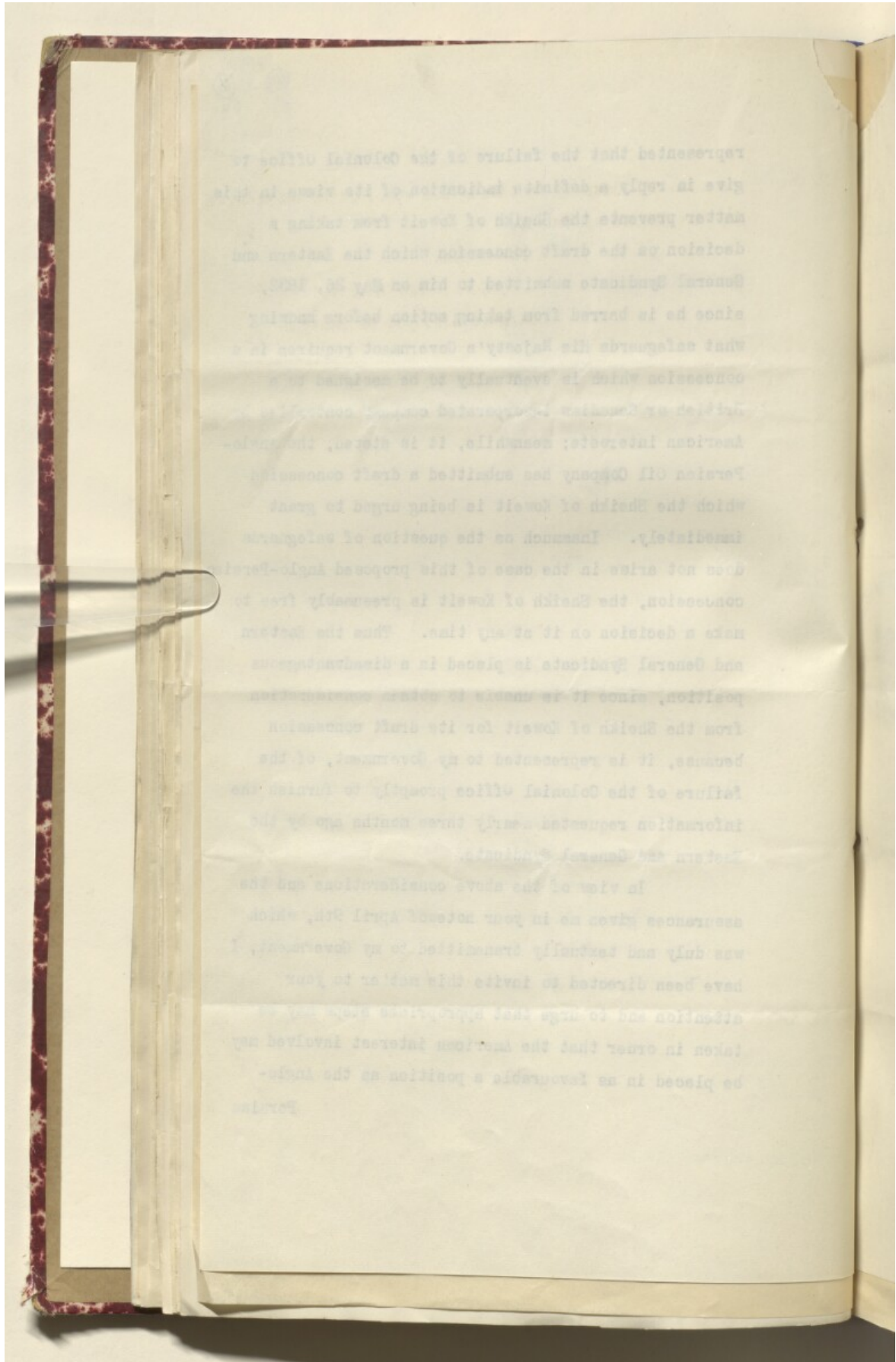


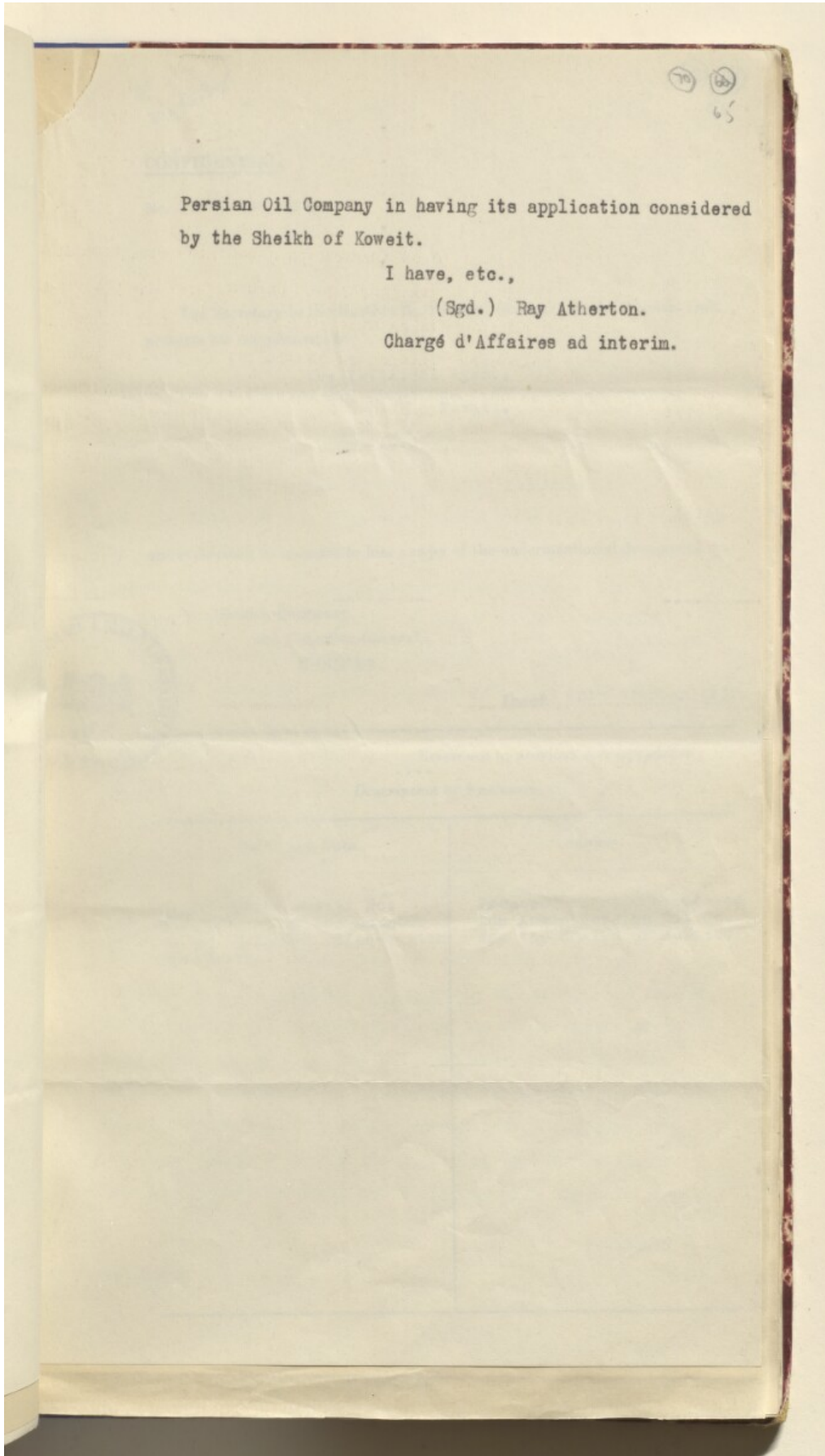




represented that the failure of the Colonial Office to give in reply a definite indication of its views in this matter prevents the Sheikh of Koweit from taking a decision on the draft concession which the Eastern and General Syndicate submitted to him on May 26, 1932, since he is barred from taking action before knowing what safeguards His Majesty's Government requires in a concession which is eventually to be assigned to a British or Canadian incorporated company controlled by American interests; meanwhile, it is stated, the Anglo-Persian Oil Company has submitted a draft concession which the Sheikh of Koweit is being urged to grant immediately. Inasmuch as the question of safeguards does not arise in the case of this proposed Anglo-Persian concession, the Sheikh of Koweit is presumably free to make a decision on it at any time. Thus the Eastern and General Syndicate is placed in a disadvantageous position, since it is unable to obtain consideration from the Sheikh of Koweit for its draft concession because, it is represented to my Government, of the failure of the Colonial Office promptly to furnish the information requested nearly three months ago by the Eastern and General Syndicate.

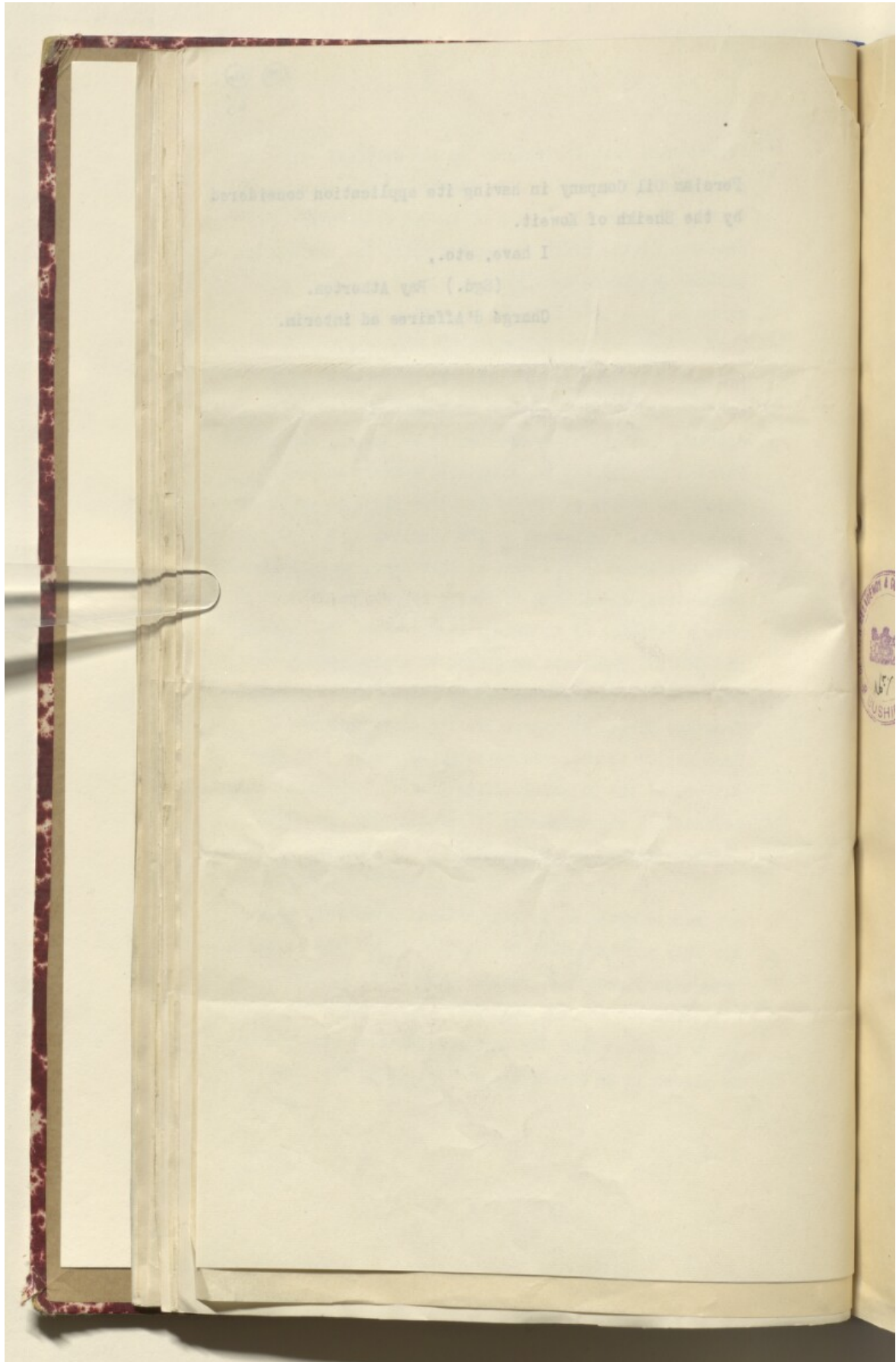
In view of the above considerations and the assurances given me in your note of April 9th, which was duly and textually transmitted to my Government, I have been directed to invite this matter to your attention and to urge that appropriate steps may be taken in order that the American interest involved may be placed in as favourable a position as the Anglo-Persian







"ملف ٥ / ١٧ شركة نفط الكويت" [٧٠ ظ] (٣٩٢/١٤٥)





٧٥
26-10-32

٧١ ٧٢
٤٤

CONFIDENTIAL.

No. 797-S of 1932.

The Secretary to the Hon'ble the Political Resident in the Persian Gulf
presents his compliments to

the Political Agent,
Kuwait.

and is directed to transmit to him a copy of the undermentioned documents.

British Residency
and Consulate-General,
BUSHIRE.

Dated... 20th October 1932.

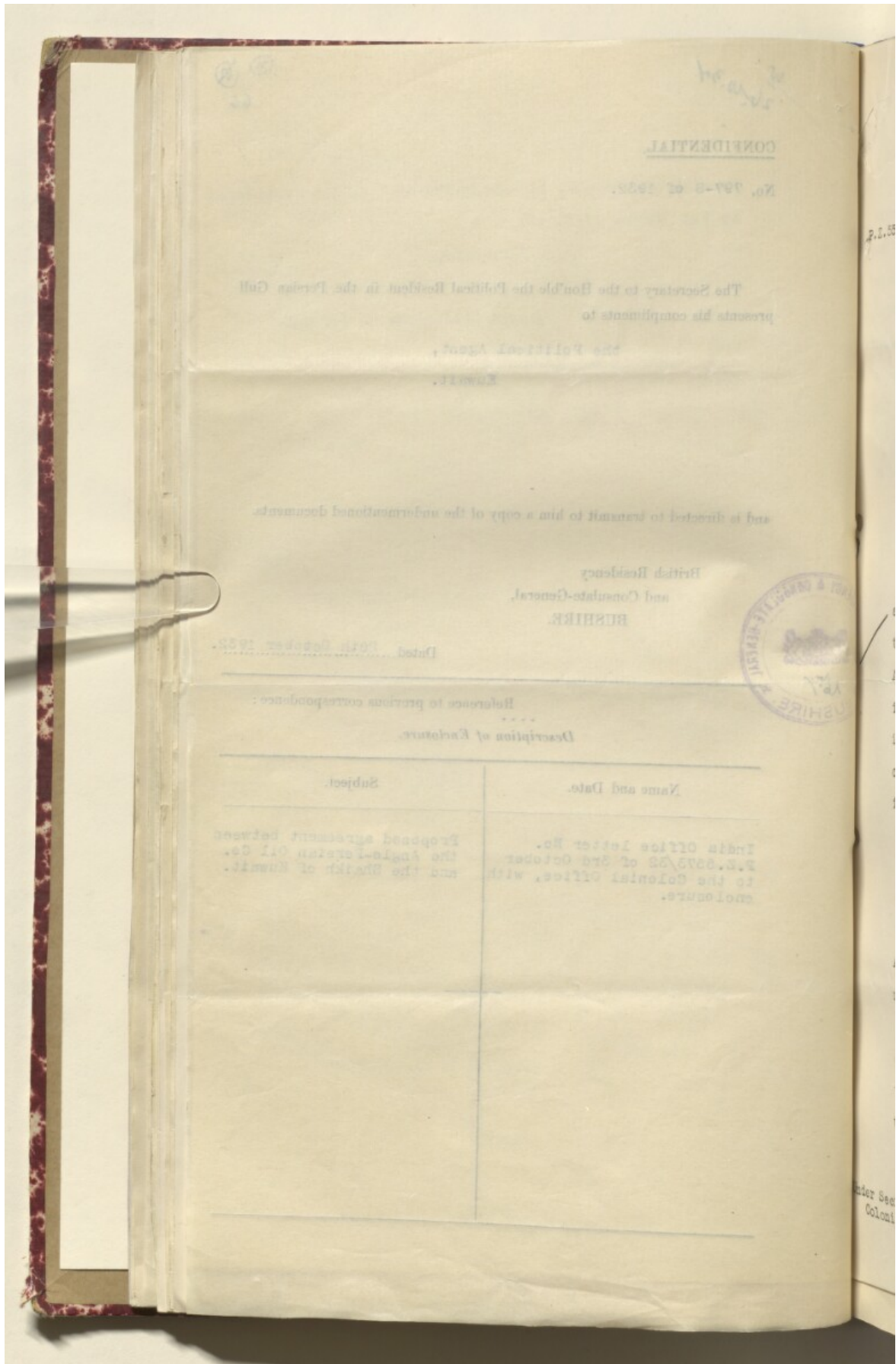
Reference to previous correspondence:
.....

Description of Enclosure.

Name and Date.	Subject.
India Office letter No. P.2.5573/32 of 3rd October to the Colonial Office, with enclosure.	Proposed agreement between the Anglo-Persian Oil Co. and the Shaikh of Kuwait.



"ملف ٥ / ١٧ شركة نفط الكويت" [٧١ظ] (٣٩٢/١٤٧)





P.Z. 5573/32.

3rd October, 1932.

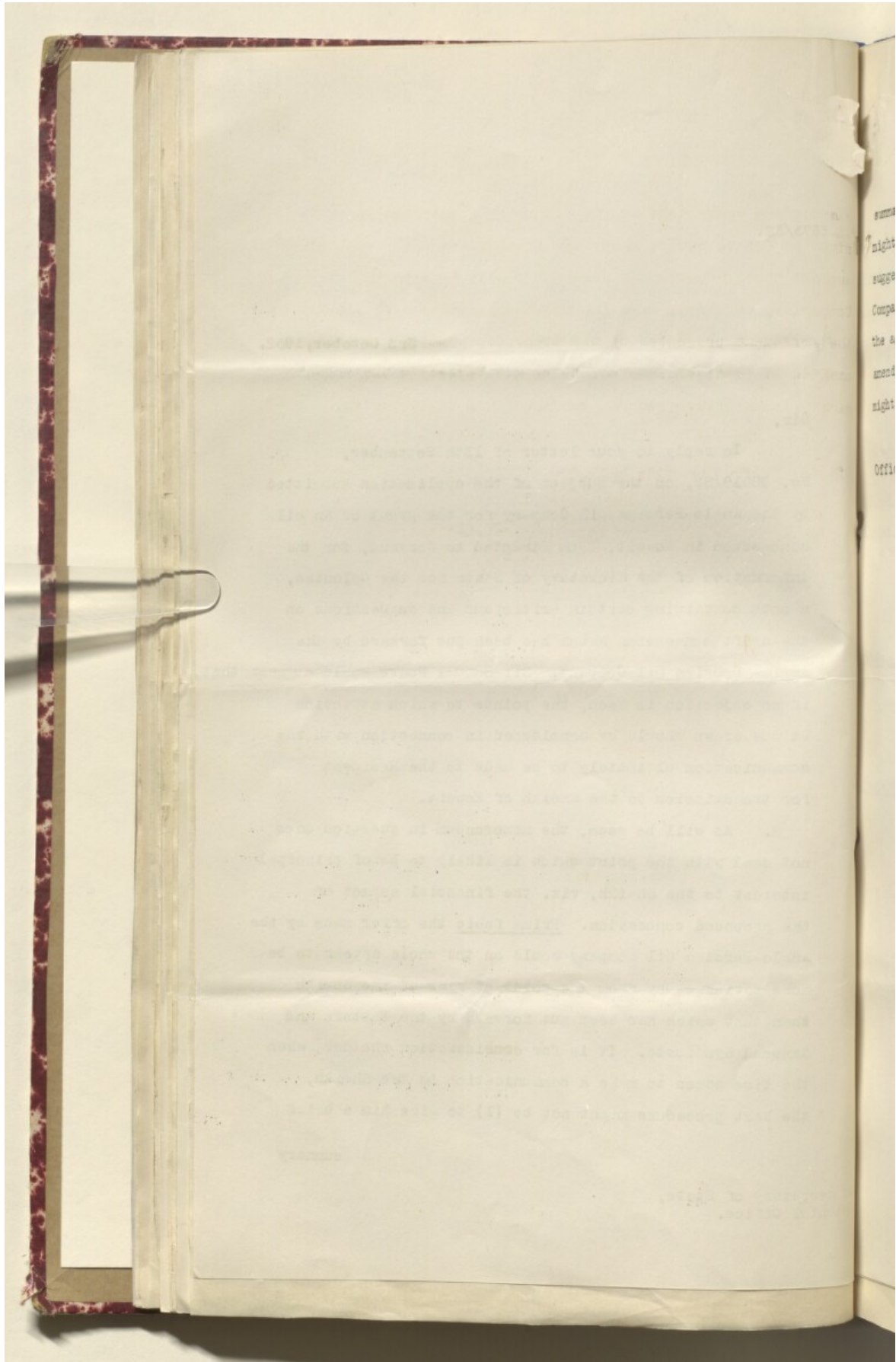
Sir,

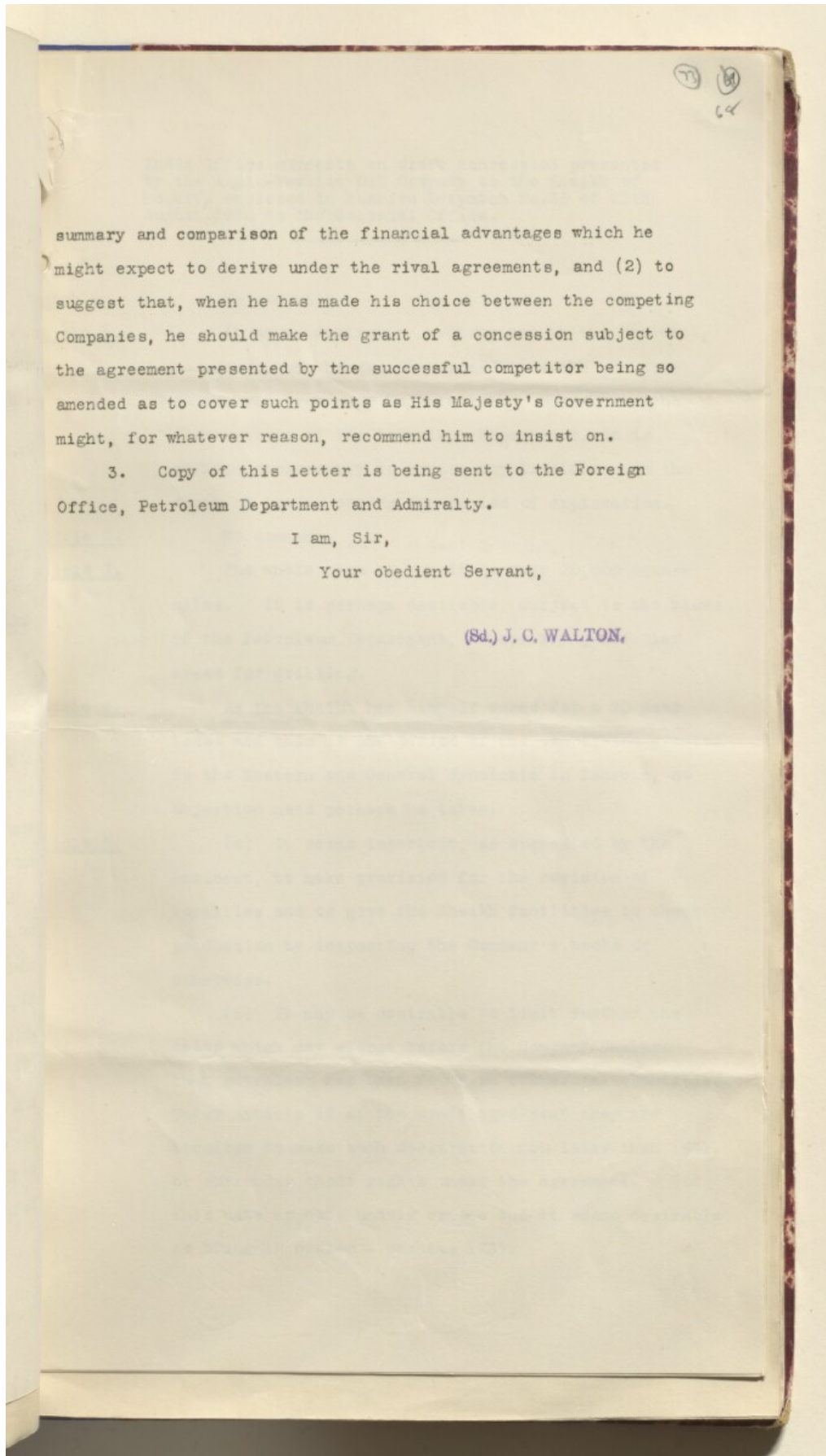
In reply to your letter of 13th September, No. 98019/32, on the subject of the application submitted by the Anglo-Persian Oil Company for the grant of an oil concession in Koweit, I am directed to forward, for the information of the Secretary of State for the Colonies, a note containing certain criticisms and suggestions on the draft concession which has been put forward by the Anglo-Persian Oil Company. Sir Samuel Hoare would suggest that, if no objection is seen, the points to which attention is now drawn should be considered in connection with the communication ultimately to be made to the Resident for transmission to the Sheikh of Koweit.

2. As will be seen, the memorandum in question does not deal with the point which is likely to be of principal interest to the Sheikh, viz. the financial aspect of the proposed concession. Prima facie the offer made by the Anglo-Persian Oil Company would on the whole appear to be more satisfactory from the point of view of the Sheikh than that which has been put forward by the Eastern and General Syndicate. It is for consideration whether, when the time comes to make a communication to the Sheikh, the best procedure might not be (1) to give him a brief

summary

ler Secretary of State,
Colonial Office.





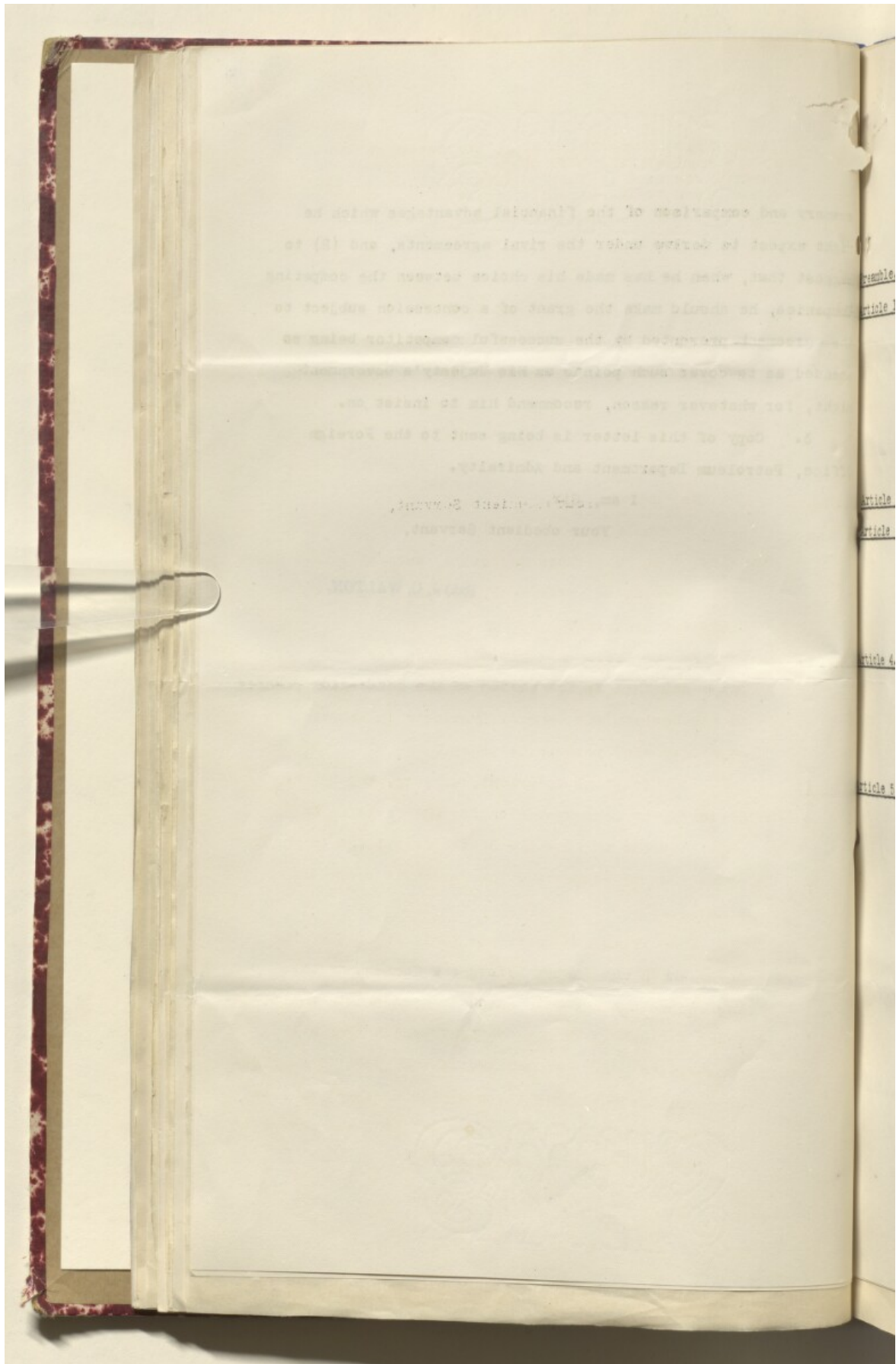
summary and comparison of the financial advantages which he might expect to derive under the rival agreements, and (2) to suggest that, when he has made his choice between the competing Companies, he should make the grant of a concession subject to the agreement presented by the successful competitor being so amended as to cover such points as His Majesty's Government might, for whatever reason, recommend him to insist on.

3. Copy of this letter is being sent to the Foreign Office, Petroleum Department and Admiralty.

I am, Sir,

Your obedient Servant,

(Sd.) J. C. WALTON,





India Office comments on draft concession presented by the Anglo-Persian Oil Company to the Sheikh of Kuwait, enclosed in Bushire Despatch No.36 of 25th August 1932 to the Colonial Office.

Preamble.

No comments.

Article 1.

It seems desirable, as proposed by the Resident, to except both Bandar Shwaik and also the possible cantonment area near Ras-el-Ardh. Subject to the observations of the Petroleum Department, it is perhaps unnecessary to impose any limitation on the depth of boring during the period of exploration.

Article 2.

No comment.

Article 3.

The whole area of Koweit is over 20,000 square miles. It is perhaps desirable, subject to the views of the Petroleum Department, to specify particular areas for drilling.

Article 4.

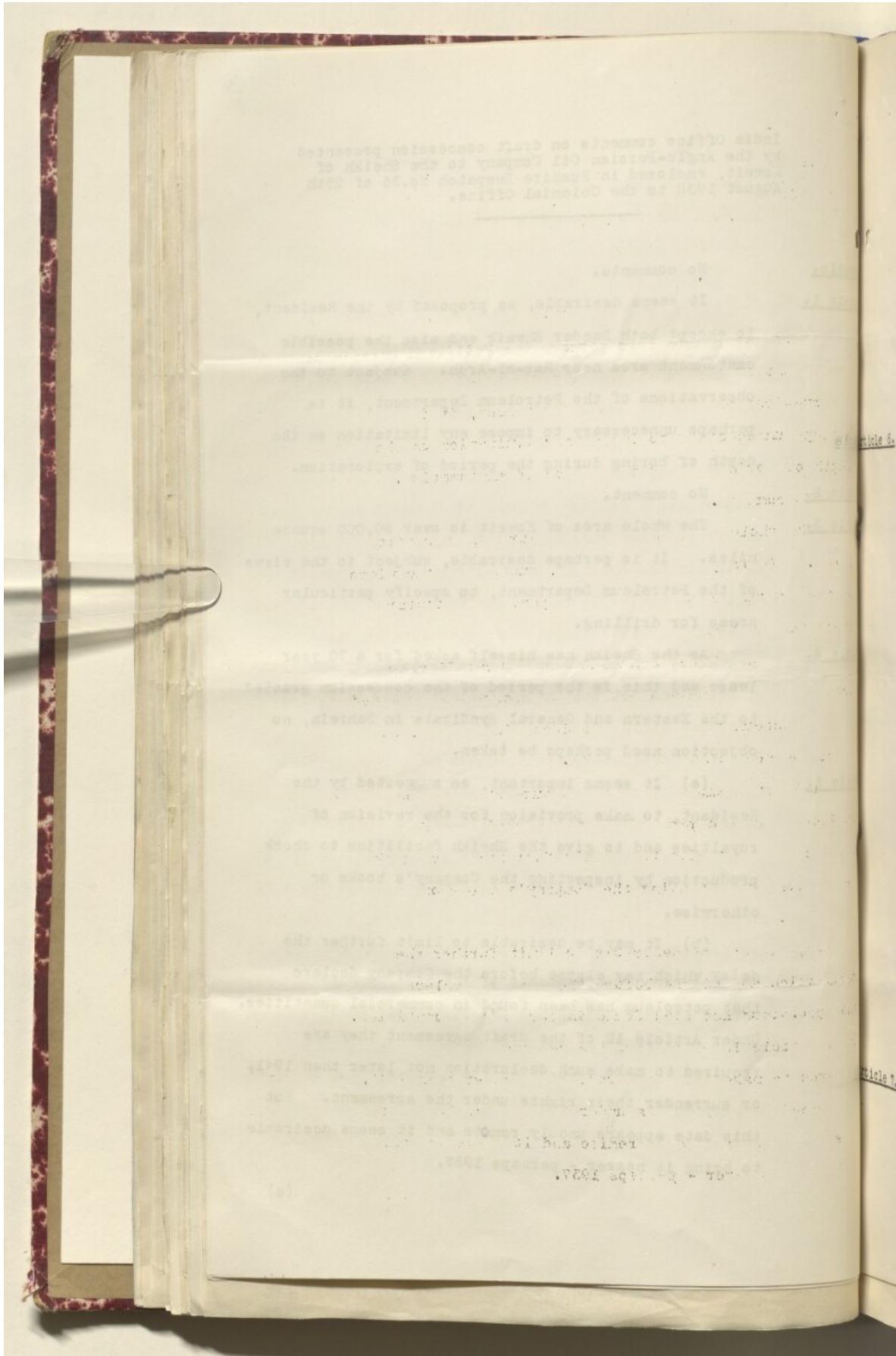
As the Sheikh has himself asked for a 70 year lease and this is the period of the concession granted to the Eastern and General Syndicate in Bahrein, no objection need perhaps be taken.

Article 5.

(a) It seems important, as suggested by the Resident, to make provision for the revision of royalties and to give the Sheikh facilities to check production by inspecting the Company's books or otherwise.

(b) It may be desirable to limit further the delay which may elapse before the Company declare that petroleum has been found in commercial quantities. Under Article 12 of the draft agreement they are required to make such declaration not later than 1941, or surrender their rights under the agreement. But this date appears unduly remote and it seems desirable to bring it nearer - perhaps 1937.

(c)





(c) Third line from end. Presumably in the event of a dispute between the Company and the Sheikh, as to whether events resulting in the interruption of the Company's operations were or were not outside the control of the Company, the matter would go to arbitration. If, however, this part of Article 5 is not common form perhaps the Petroleum Department would suggest some form of words which would more adequately safeguard the Sheikh's interests.

icle 6.

(a) Perhaps the Petroleum Department would confirm the Resident's assumption that as the Anglo-Persian Oil Company are a British company "presumably in the case of war or other emergency His Majesty's Government could control the Company's activities". Perhaps they will also advise as to the desirability of specifically inserting in this Article (or elsewhere in the Agreement) any of the safeguards proposed by the Board of Trade and set out in the Cabinet Paper No.20 (32) dated 6th April 1932.

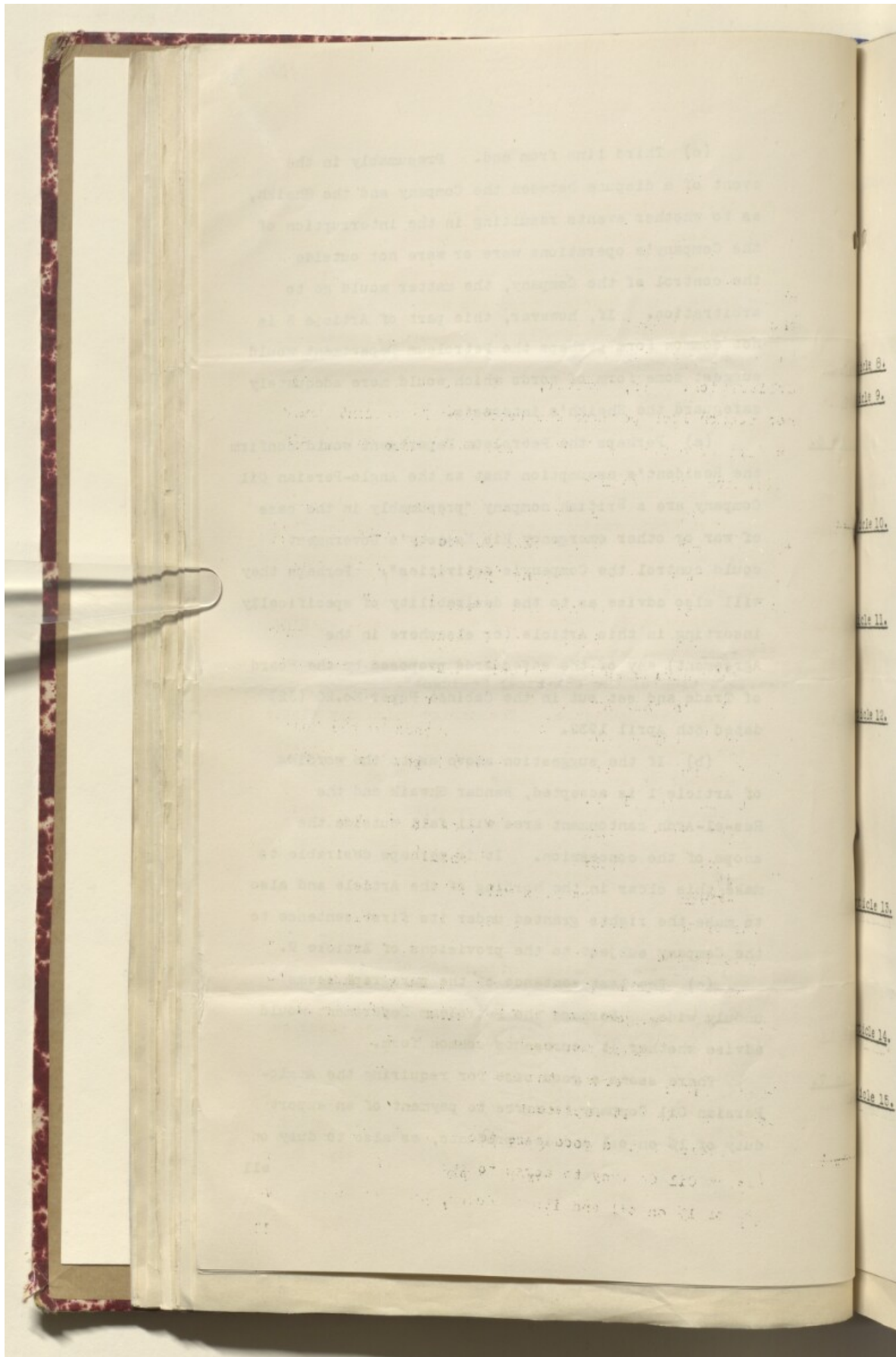
(b) If the suggestion above as to the wording of Article 1 is accepted, Bandar Shwaik and the Ras-el-Ardh cantonment area will fall outside the scope of the concession. It is perhaps desirable to make this clear in the wording of the Article and also to make the rights granted under its first sentence to the Company subject to the provisions of Article 9.

(c) The last sentence of the paragraph seems unduly wide. Perhaps the Petroleum Department would advise whether it represents common form.

icle 7.

There seems a good case for requiring the Anglo-Persian Oil Company to agree to payment of an export duty of 1% on oil and its products, as also to duty on

all





all articles imported for personal use of its employees. There is no real reason why they should be granted so wide an exemption as they suggest, and the Eastern and General Syndicate are, of course, prepared to meet the Sheikh on this point.

le 8. No comments.

le 9. Presumably only unoccupied land is meant to come under the first sentence of this Article, and no harm would be done by the insertion in line 2 after "all" of the word "unoccupied".

le 10. This again raises the question of exemption from export and import duties referred to in connection with Article 7.

le 11. Paragraph 2. Second sentence. ? insert after the word "Sheikh" the words "as shown to the satisfaction of the Political Resident".

le 12. (a) Last sentence. The period which may elapse before a declaration is made might be shortened - see the comment on Article 5 above.

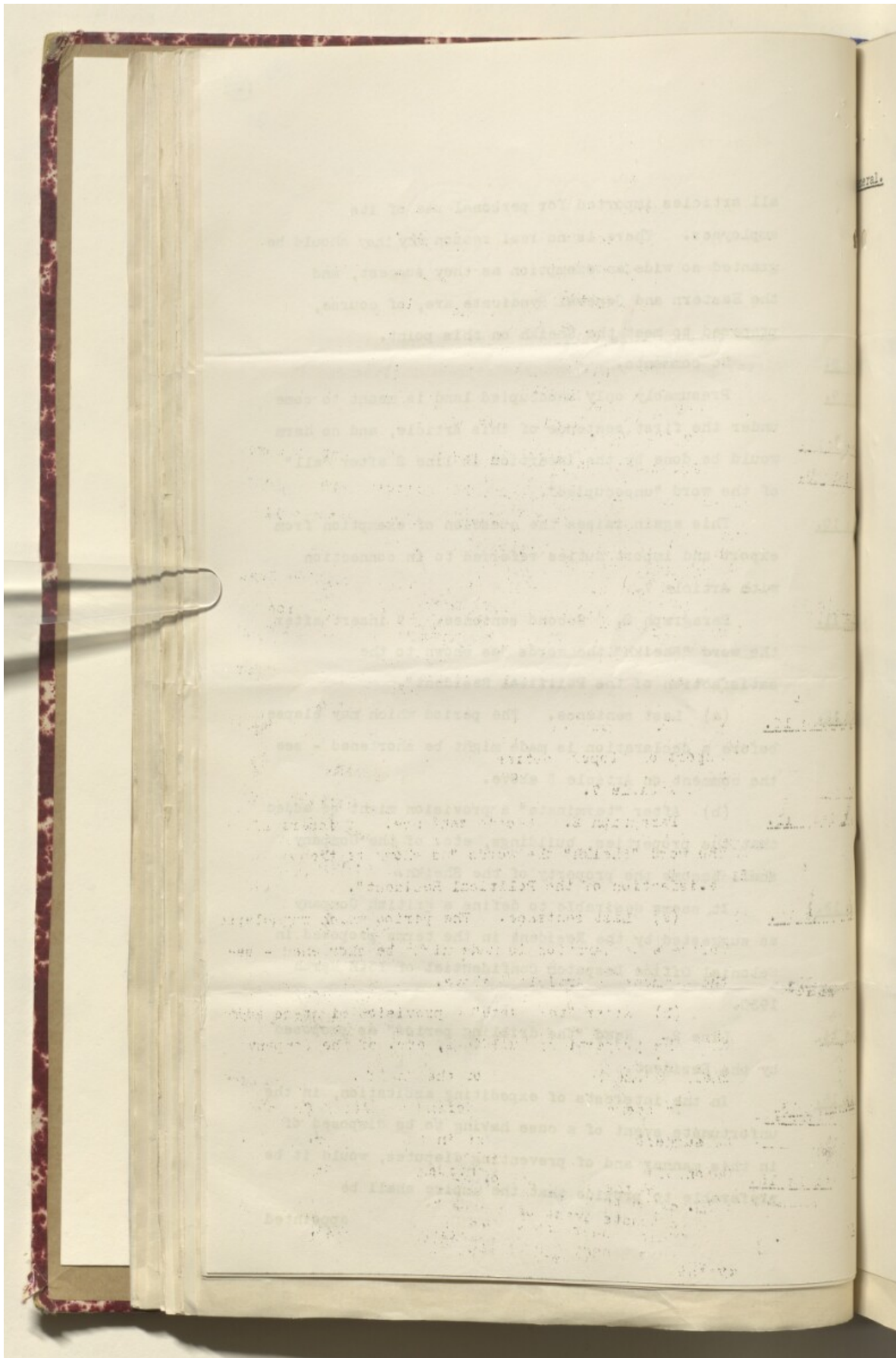
(b) After "terminate" a provision might be added that the properties, buildings, etc. of the Company shall become the property of the Sheikh.

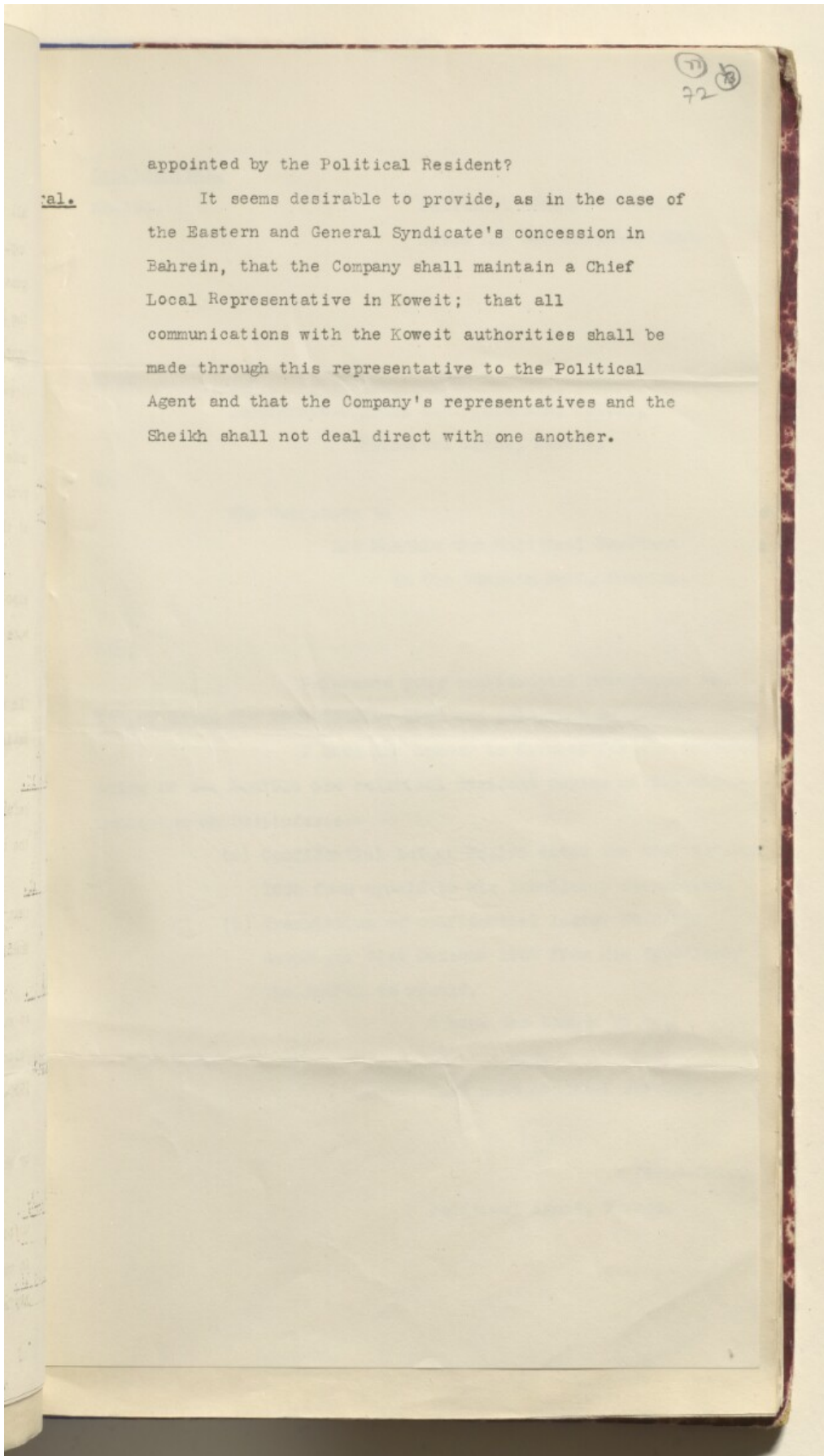
le 13. It seems desirable to define a British Company as suggested by the Resident in the terms proposed in Colonial Office Despatch Confidential of 13th March 1930.

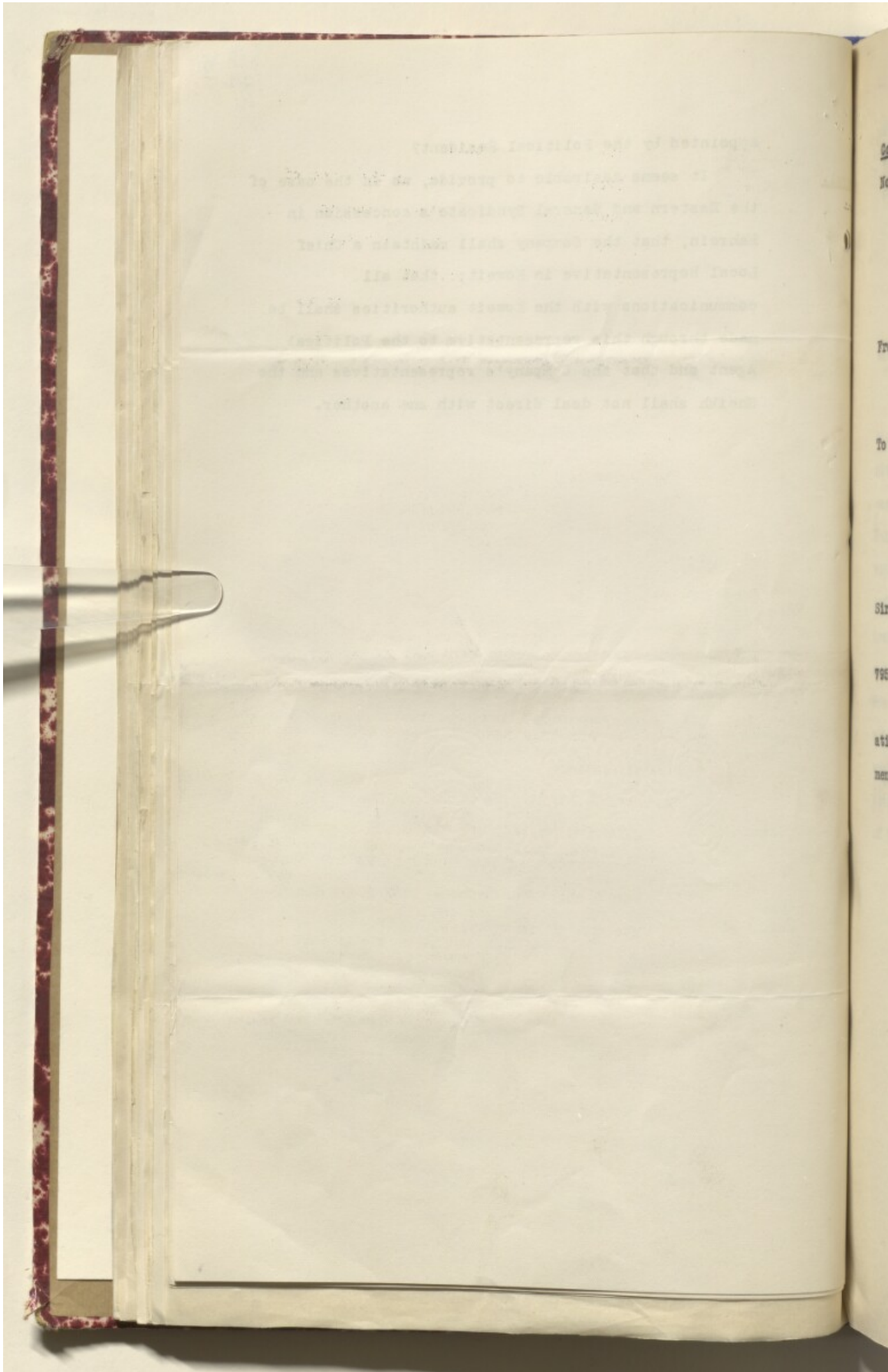
le 14. Line 2. Read "the drilling period" as proposed by the Resident.

le 15. In the interests of expediting arbitration, in the unfortunate event of a case having to be disposed of in this manner and of preventing disputes, would it be preferable to provide that the umpire shall be

appointed









Confidential.

No.196.

Political Agency, Kuwait.

Dated the 3rd November 1932.

From

Lieutenant-Colonel H.R.P.Dickson, C.I.E.,

Political Agent, Kuwait.

To

The Secretary to

the Hon'ble the Political Resident

in the Persian Gulf, Bushire.

Sir,

Reference your confidential memorandum No. 795.S. dated the 20th October 1932 and paragraph 2.

I have the honour to forward for the information of the Hon'ble the Political Resident copies of the under-mentioned correspondence:-

- (a) Confidential letter No.195 dated the 29th October 1932 from myself to His Excellency the Shaikh.
- (b) Translation of confidential letter No.R/695 dated the 31st October 1932 from His Excellency the Shaikh to myself.

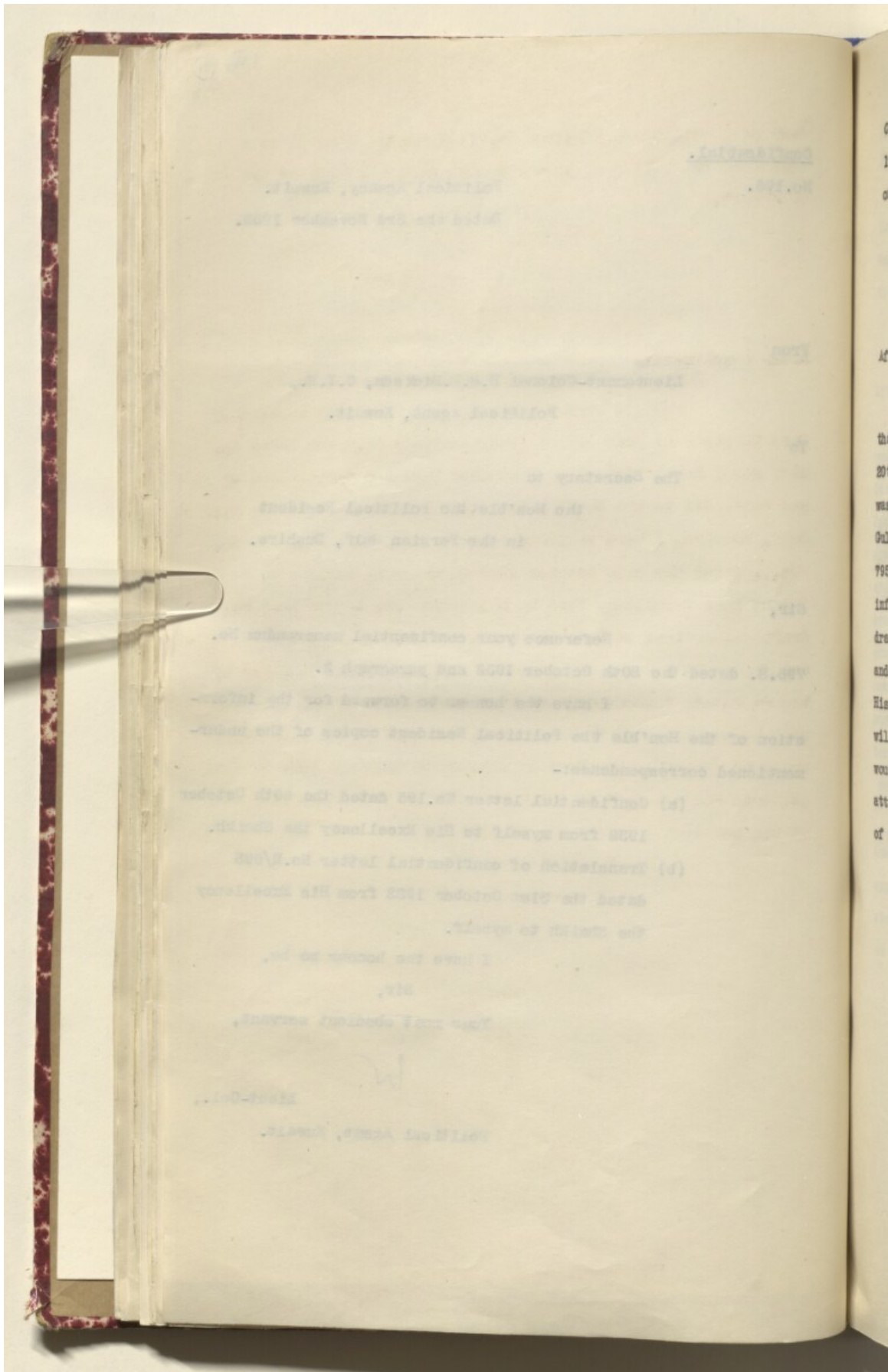
I have the honour to be,

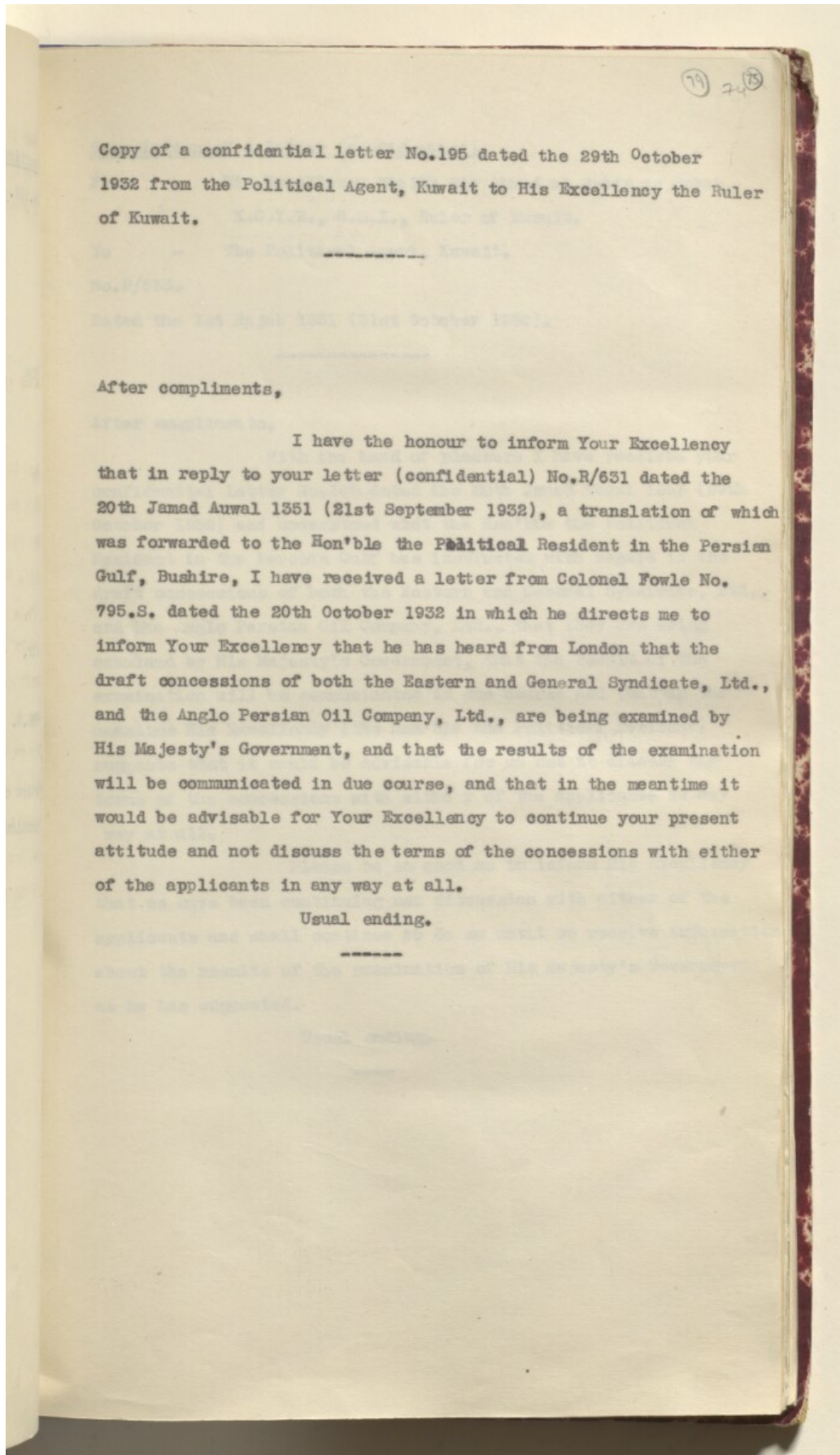
Sir,

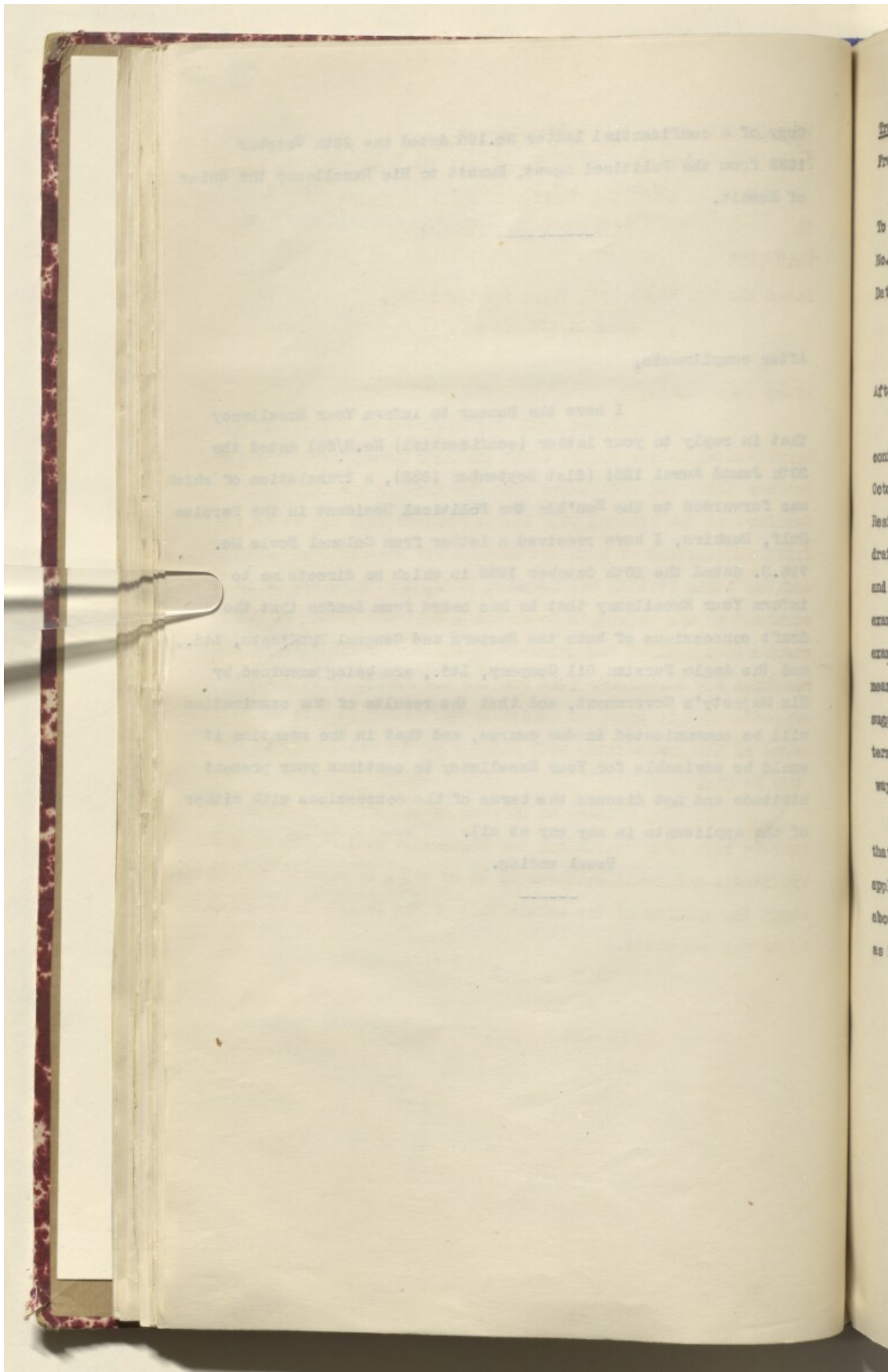
Your most obedient servant,

Lieut-Col.,

Political Agent, Kuwait.









Translation of a letter (confidential).

From - His Excellency Shaikh Sir Ahmad al Jabir as Subah,
K.C.I.E., C.S.I., Ruler of Kuwait.

To - The Political Agent, Kuwait.

No.R/695.

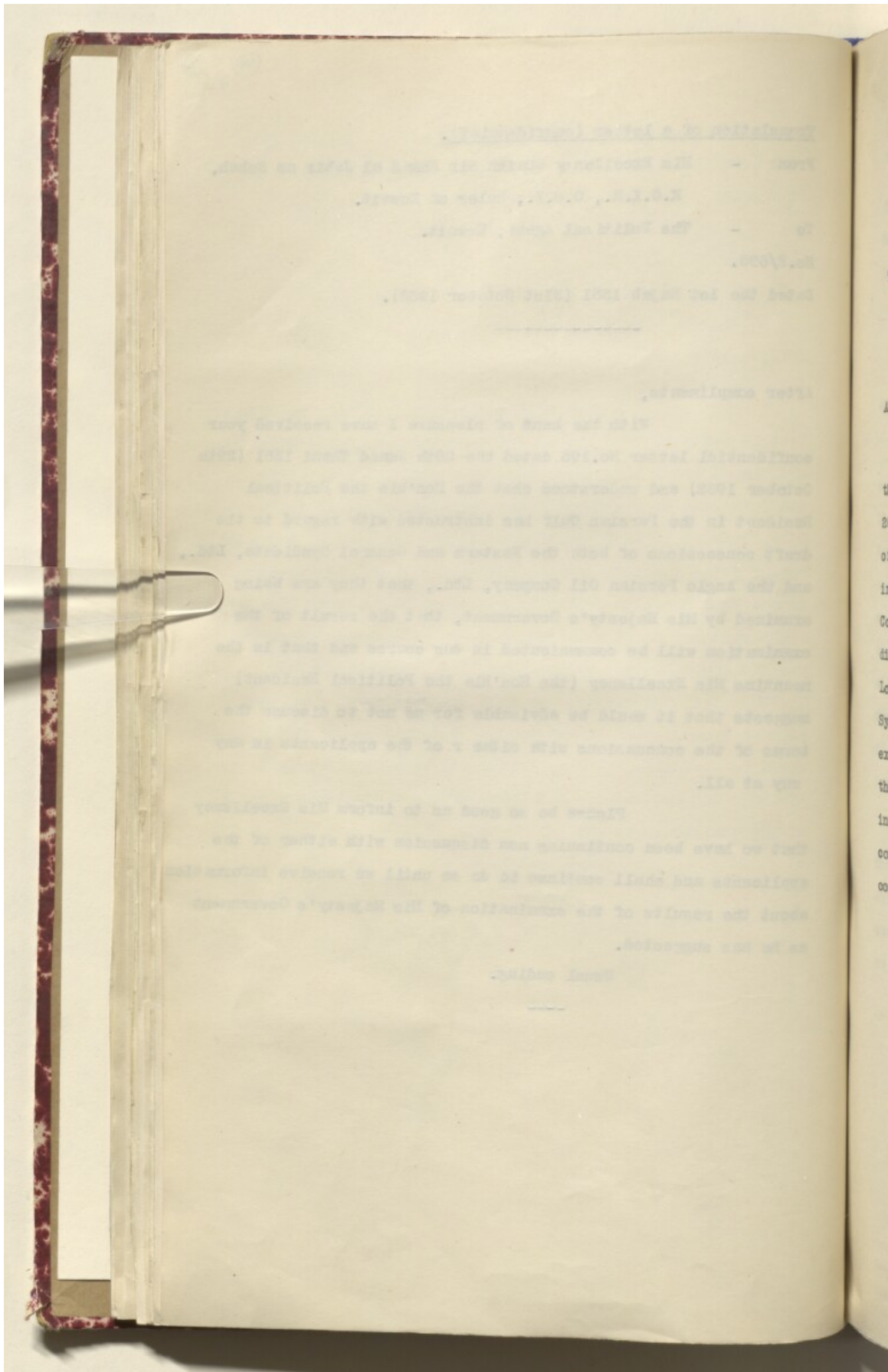
Dated the 1st Rajab 1351 (31st October 1932).

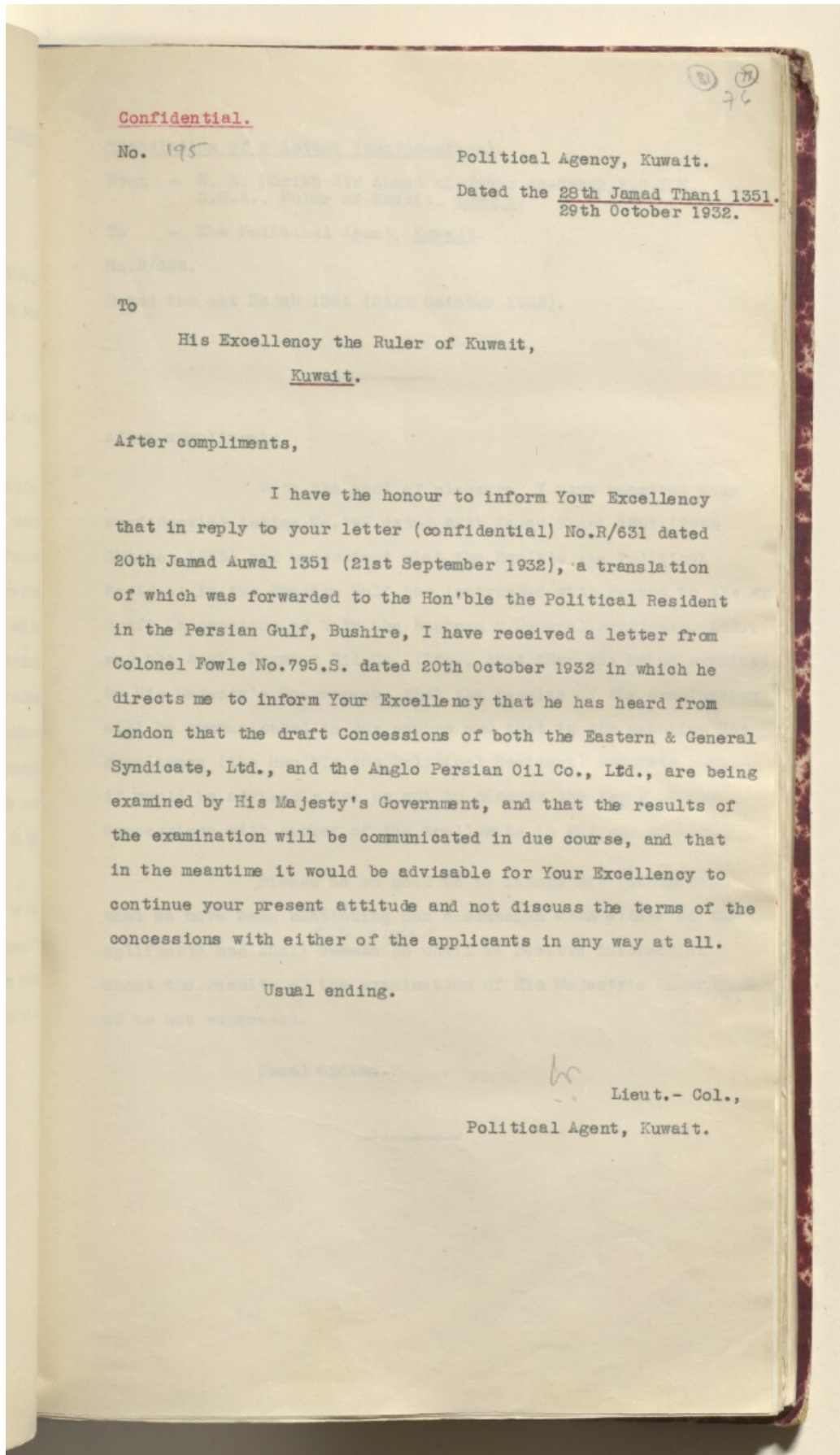
After compliments,

With the hand of pleasure I have received your confidential letter No.195 dated the 28th Jamad Thani 1351 (29th October 1932) and understood what the Hon'ble the Political Resident in the Persian Gulf has instructed with regard to the draft concessions of both the Eastern and General Syndicate, Ltd., and the Anglo Persian Oil Company, Ltd., that they are being examined by His Majesty's Government, that the result of the examination will be communicated in due course and that in the meantime His Excellency (the Hon'ble the Political Resident) suggests that it would be advisable for us not to discuss the terms of the concessions with either of the applicants in any way at all.

Please be so good as to inform His Excellency that we have been continuing non discussion with either of the applicants and shall continue to do so until we receive information about the results of the examination of His Majesty's Government as he has suggested.

Usual ending.





Confidential.

No. 195

Political Agency, Kuwait.

Dated the 28th Jamad Thani 1351.
29th October 1932.

To

His Excellency the Ruler of Kuwait,
Kuwait.

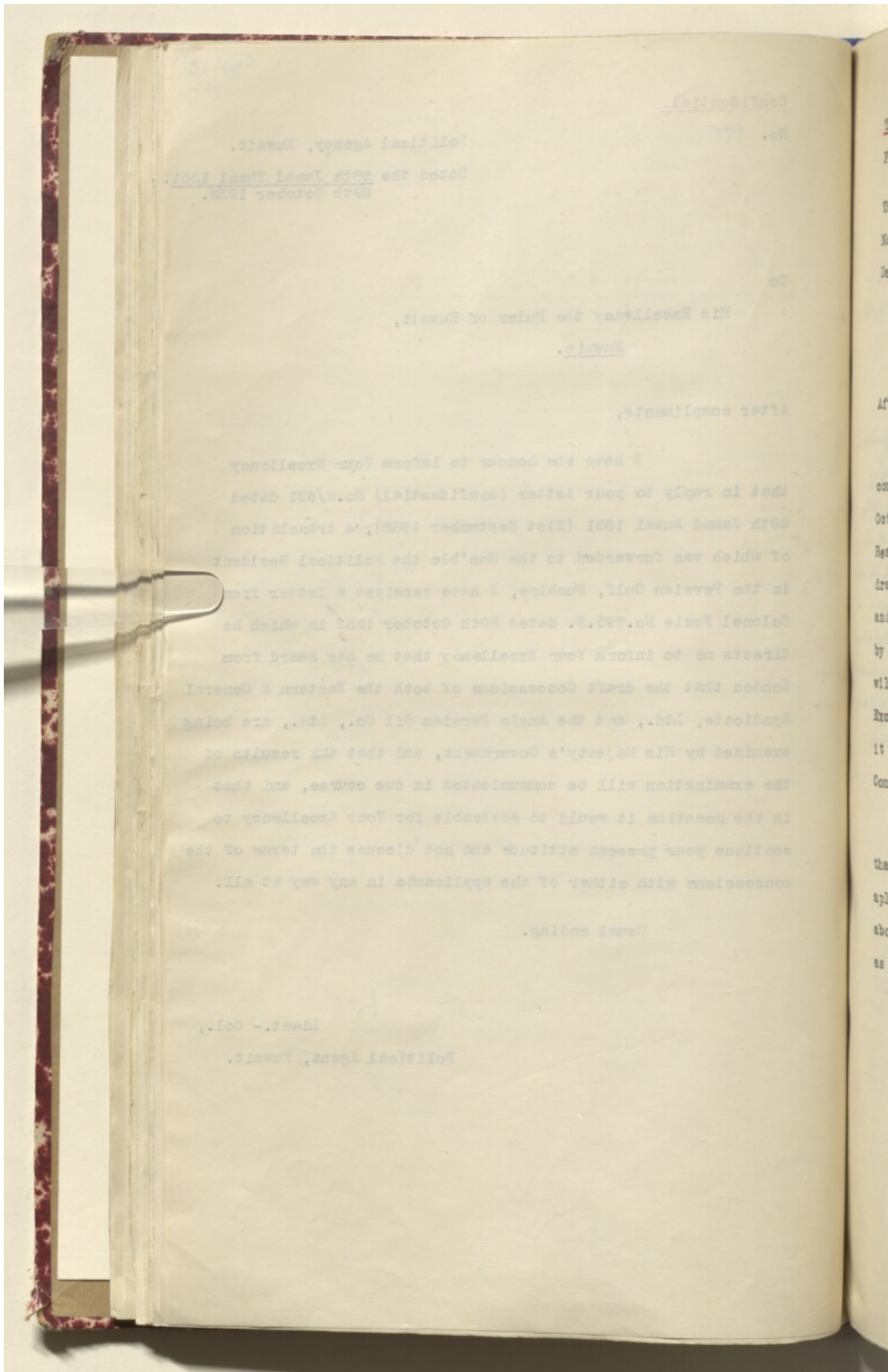
After compliments,

I have the honour to inform Your Excellency that in reply to your letter (confidential) No.R/631 dated 20th Jamad Auwal 1351 (21st September 1932), a translation of which was forwarded to the Hon'ble the Political Resident in the Persian Gulf, Bushire, I have received a letter from Colonel Fowle No.795.S. dated 20th October 1932 in which he directs me to inform Your Excellency that he has heard from London that the draft Concessions of both the Eastern & General Syndicate, Ltd., and the Anglo Persian Oil Co., Ltd., are being examined by His Majesty's Government, and that the results of the examination will be communicated in due course, and that in the meantime it would be advisable for Your Excellency to continue your present attitude and not discuss the terms of the concessions with either of the applicants in any way at all.

Usual ending.

Lieut.- Col.,

Political Agent, Kuwait.





Translation of a letter (confidential).

From - H. E. Shaikh Sir Ahmad al-Jabir as-Sabah, K.C.I.E.,
C.S.I., Ruler of Kuwait, Kuwait.

To - The Political Agent, Kuwait.

No.R/695.

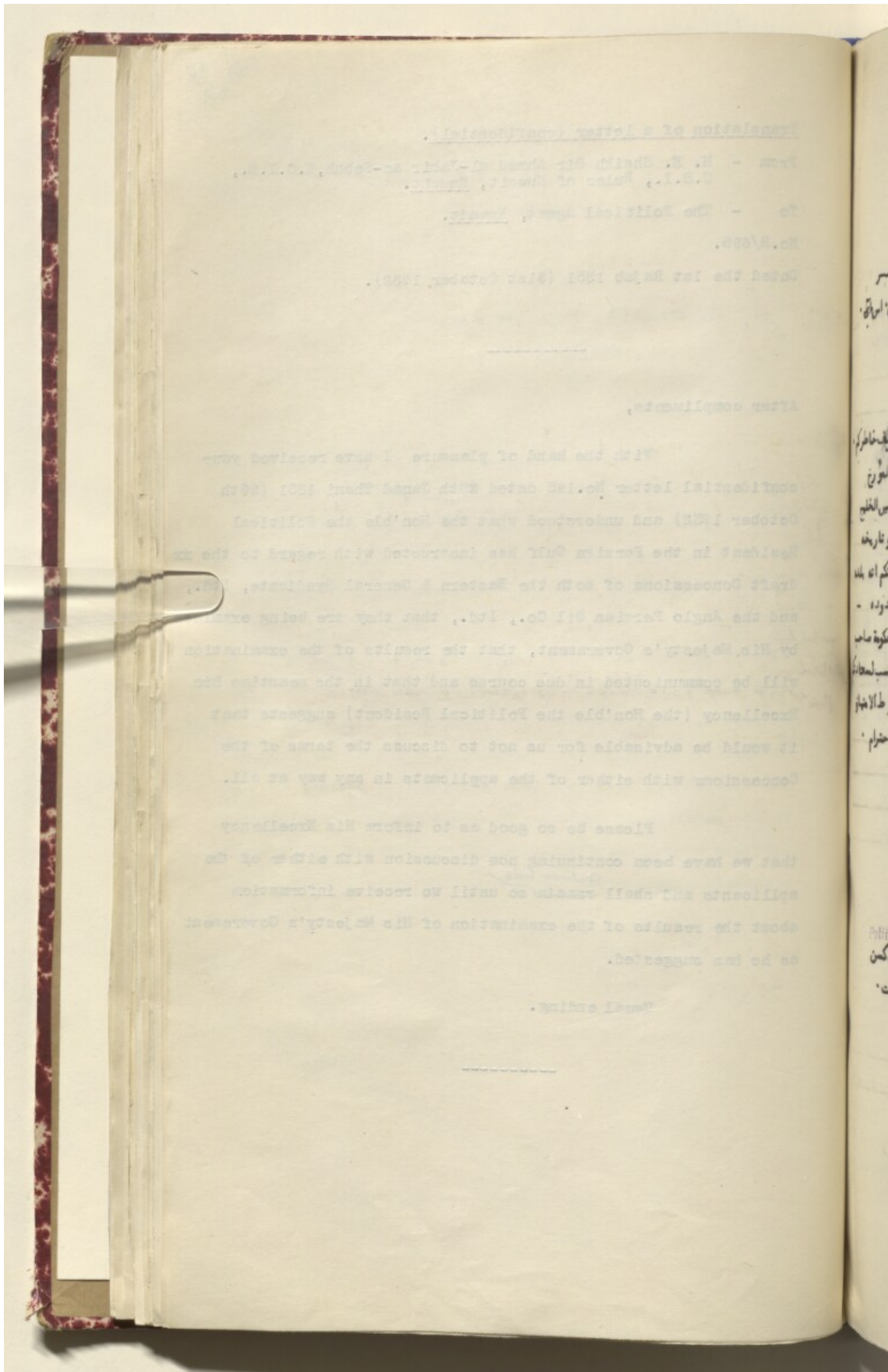
Dated the 1st Rajab 1351 (31st October 1932).

After compliments,

With the hand of pleasure I have received your confidential letter No.195 dated 28th Jamad Thani 1351 (29th October 1932) and understood what the Hon'ble the Political Resident in the Persian Gulf has instructed with regard to the draft Concessions of both the Eastern & General Syndicate, Ltd., and the Anglo Persian Oil Co., Ltd., that they are being examined by His Majesty's Government, that the results of the examination will be communicated in due course and that in the meantime His Excellency (the Hon'ble the Political Resident) suggests that it would be advisable for us not to discuss the terms of the Concessions with either of the applicants in any way at all.

Please be so good as to inform His Excellency that we have been continuing non discussion with either of the applicants and shall ^{continue to do} remain so until we receive information about the results of the examination of His Majesty's Government as he has suggested.

Usual ending.





عدد ١٩٥ (سري)

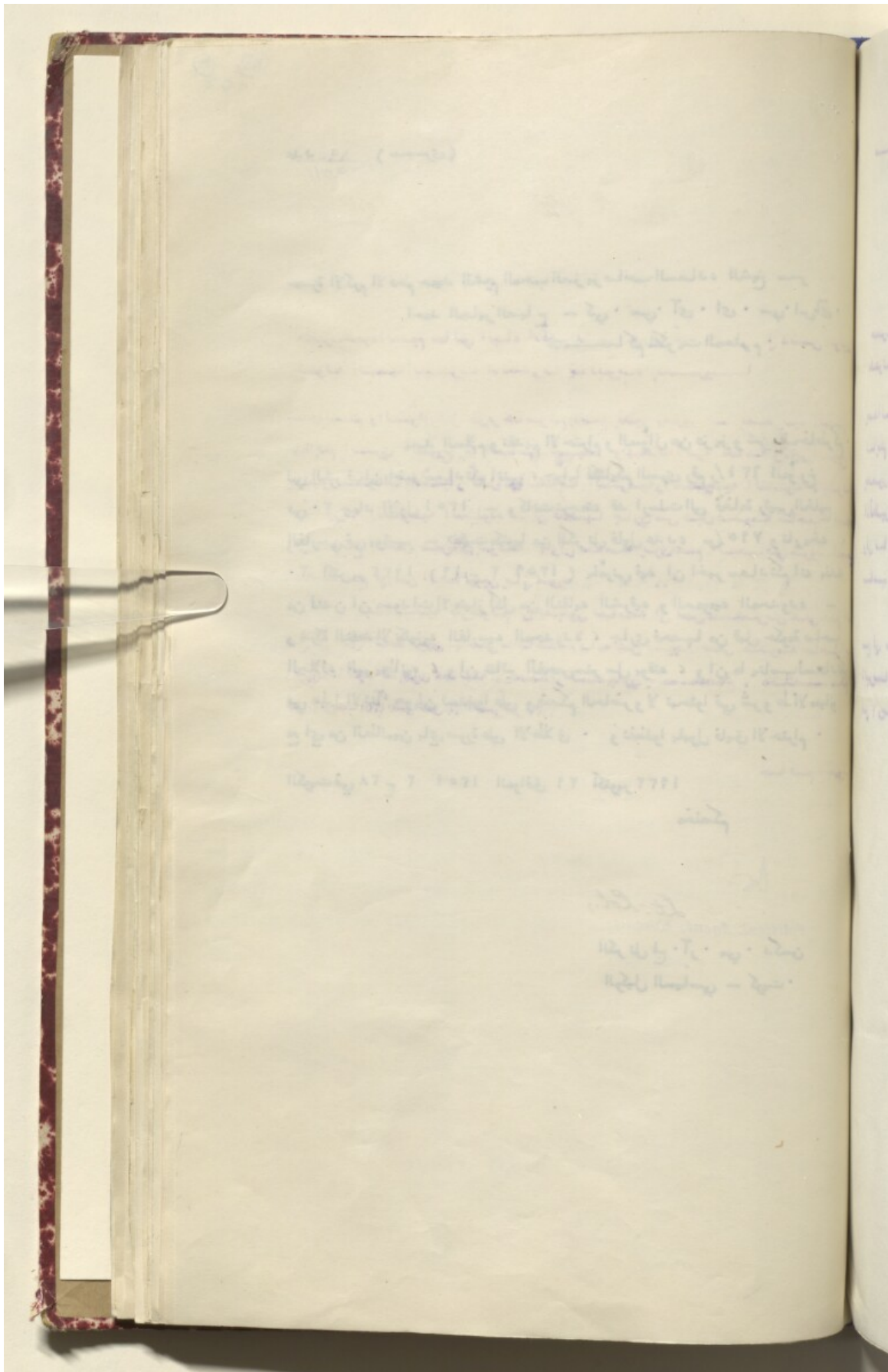
حضرة الاكبر الامم محمد الشيخ المحب العزيز صاحب السعادة الشيخ سر
احمد الجابر الصباح - كي . سي . آي . اي . سي . ام . آي .
حسبكم الكويت المحترم .

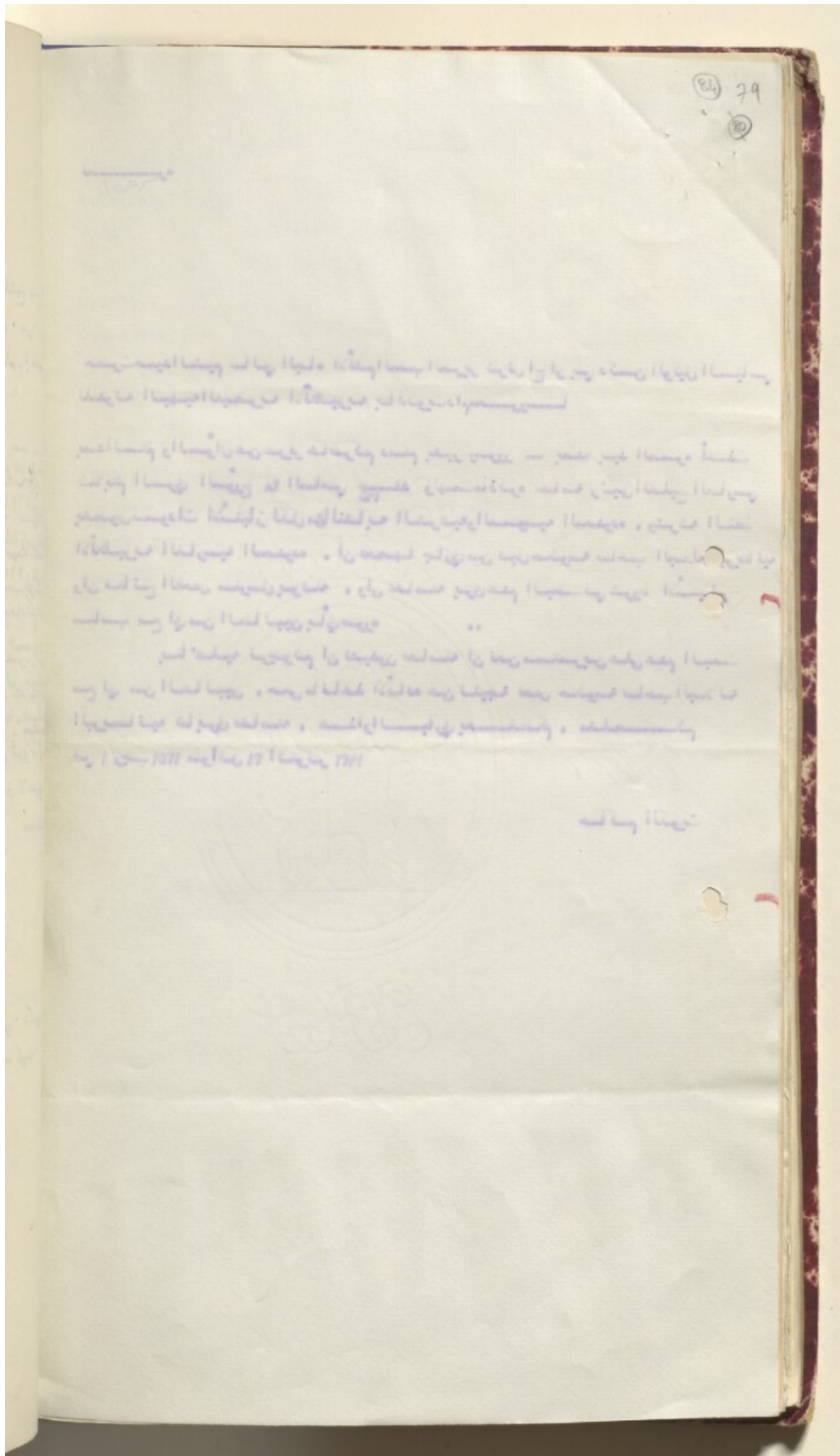
بعد السلام وتقديم الاحترام والسؤال عن عزيزو شريف خاطركم
لي الشرف ان اخبر سعادتك انني ، جوابا لكتابكم السري رقم ر/ ٦٢١ المؤرخ
في ٢٠ جماد الاول ١٣٥١ - وكانت ترجمته قد ارسلت الى فخامة رئيس الخليج
الفارسي في بوشهر - تلقت مكنوتها من الكرنل فاوول عدده س/ ٧١٥ وتاريخه
٢٠ اكتوبر ١٩٣٢ (١٩ ج ٢ ١٣٥١) يأمري فيه ان اخبر سعادتك انه بلغه
من لندن ان مسودات الامتياز لكل من النقابة الشرقية والموسسة المحدودة -
وشركة النفط الانكليزية الفارسية المحدودة ، جاري فحصها من قبل حكومة صاحب
الجلالة البريطاني ، وان نتائج الفحص سترسل بوقت ، وان ما يناسب لسعادتك
في هذا الاثناء هو ان تستمروا على وضعكم الحاضر ولا تبحثوا في شروط الامتياز
مع اي من الطالبين بأي صورة على الاطلاق . ونفضلوا بمقبول فائق الاحترام .

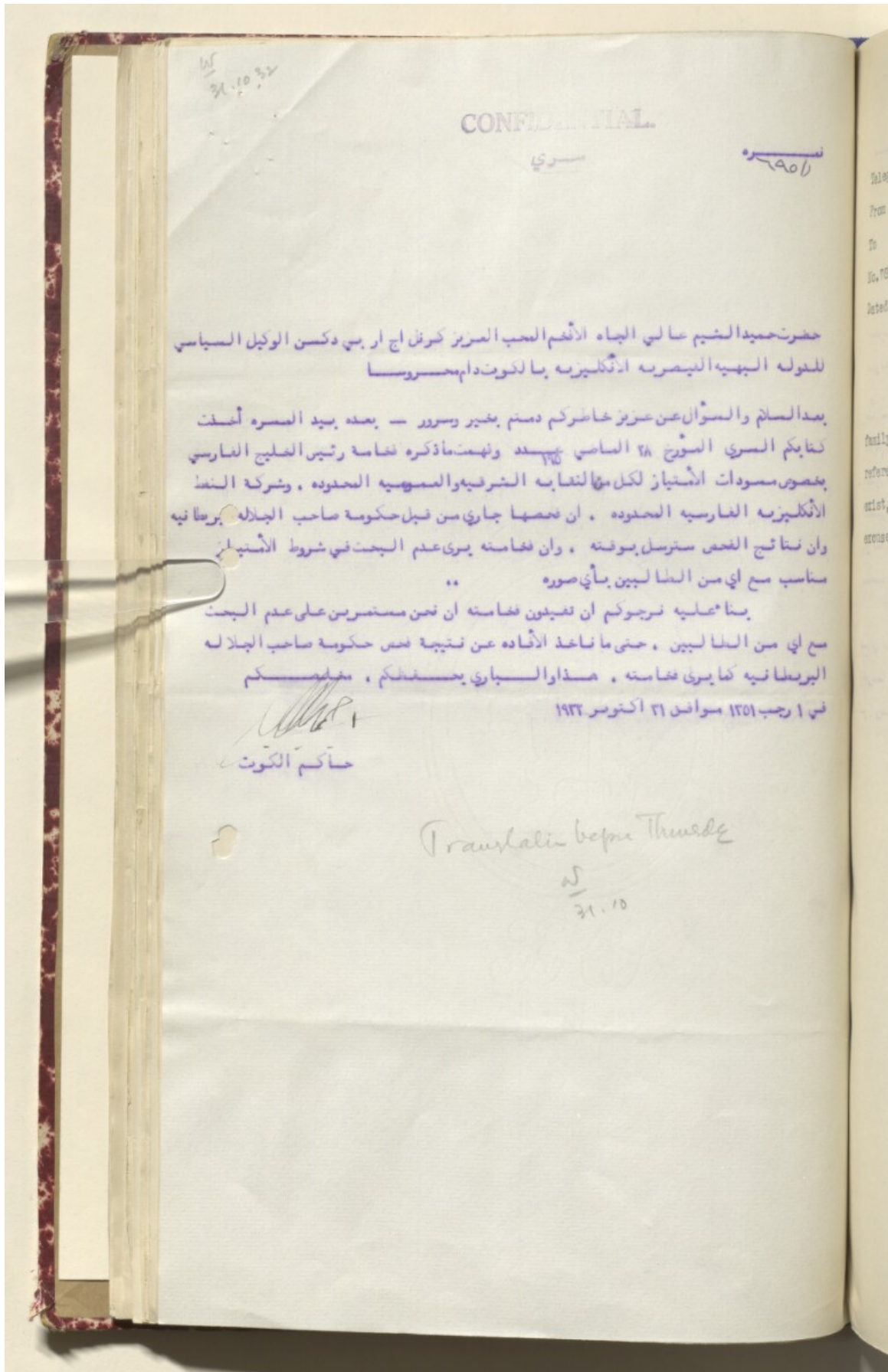
الكويت في ٢٨ ج ٢ ١٣٥١ الموافق ٢١ اكتوبر ١٩٣٢

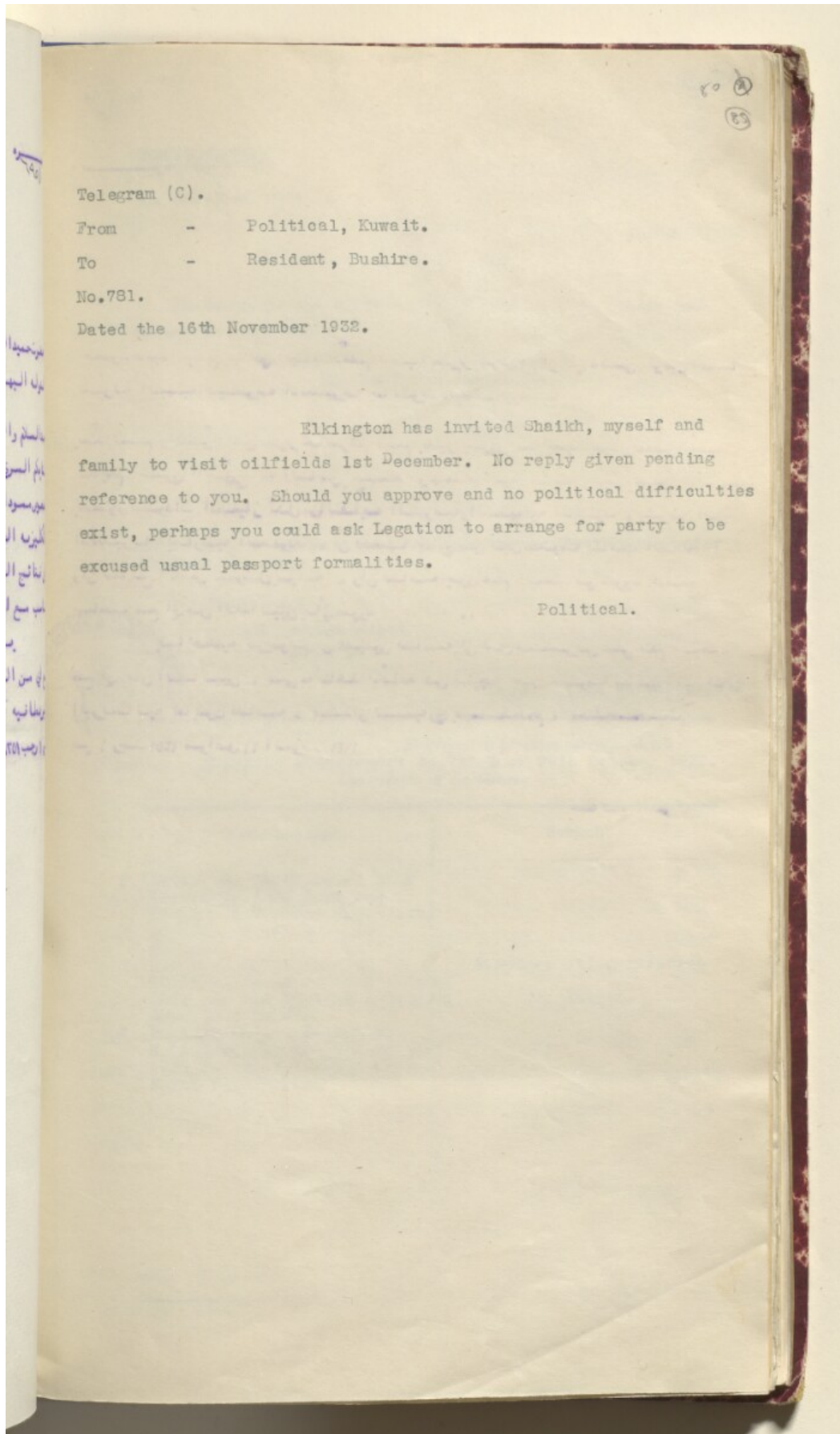
مخلصكم

Lt.-Col.
Political Agent, Kuwait
الكرنل ايج . آر . سي . دكسن
الوكيل السياسي - الكويت









Telegram (C).

From - Political, Kuwait.

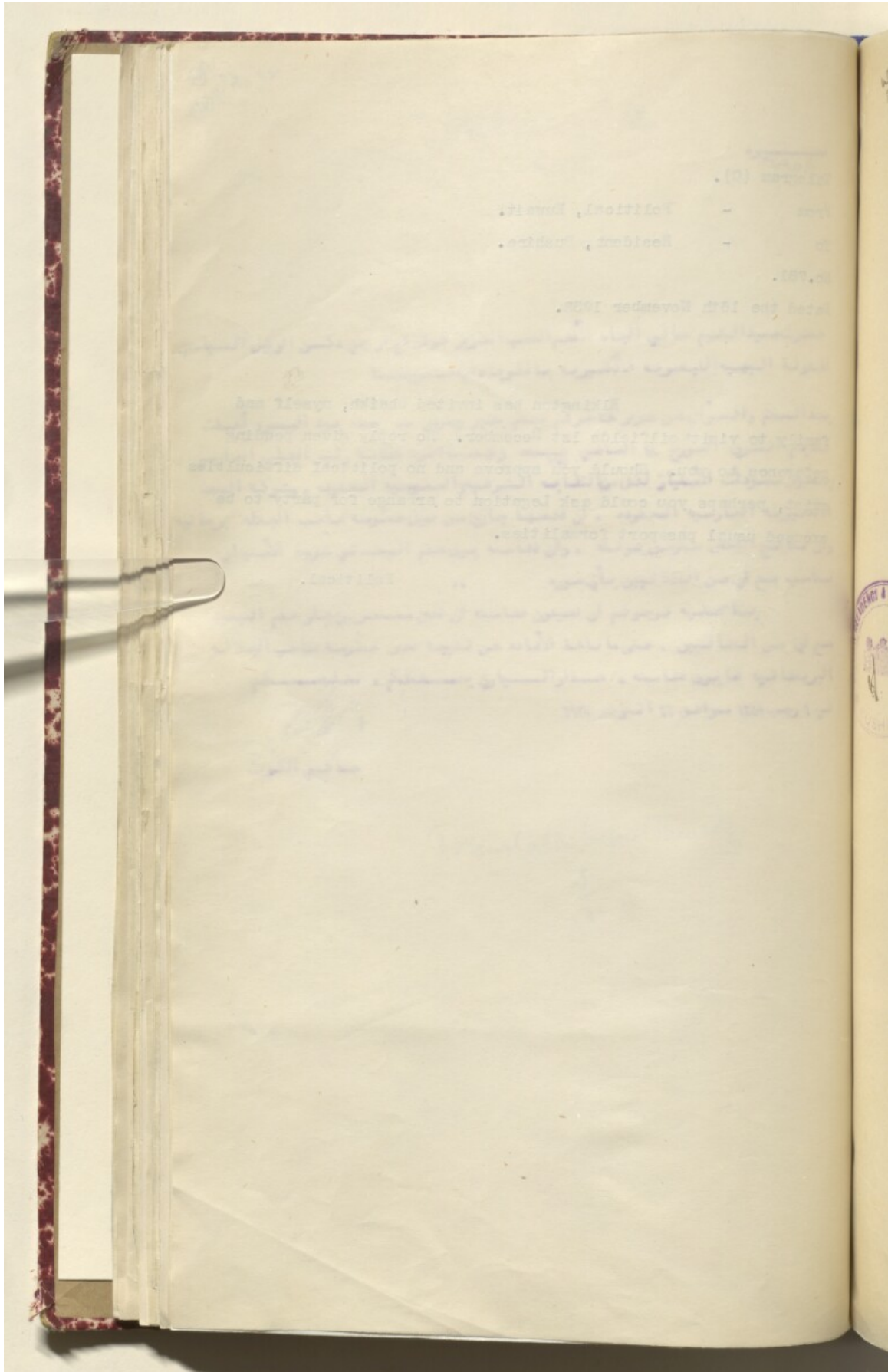
To - Resident, Bushire.

No.781.

Dated the 16th November 1932.

Elkington has invited Shaikh, myself and family to visit oilfields 1st December. No reply given pending reference to you. Should you approve and no political difficulties exist, perhaps you could ask Legation to arrange for party to be excused usual passport formalities.

Political.





45
26-11-32

CONFIDENTIAL.

No. 861-S of 1932.

The Secretary to the Hon'ble the Political Resident in the Persian Gulf
presents his compliments to

The Political Agent,

Kuwait.

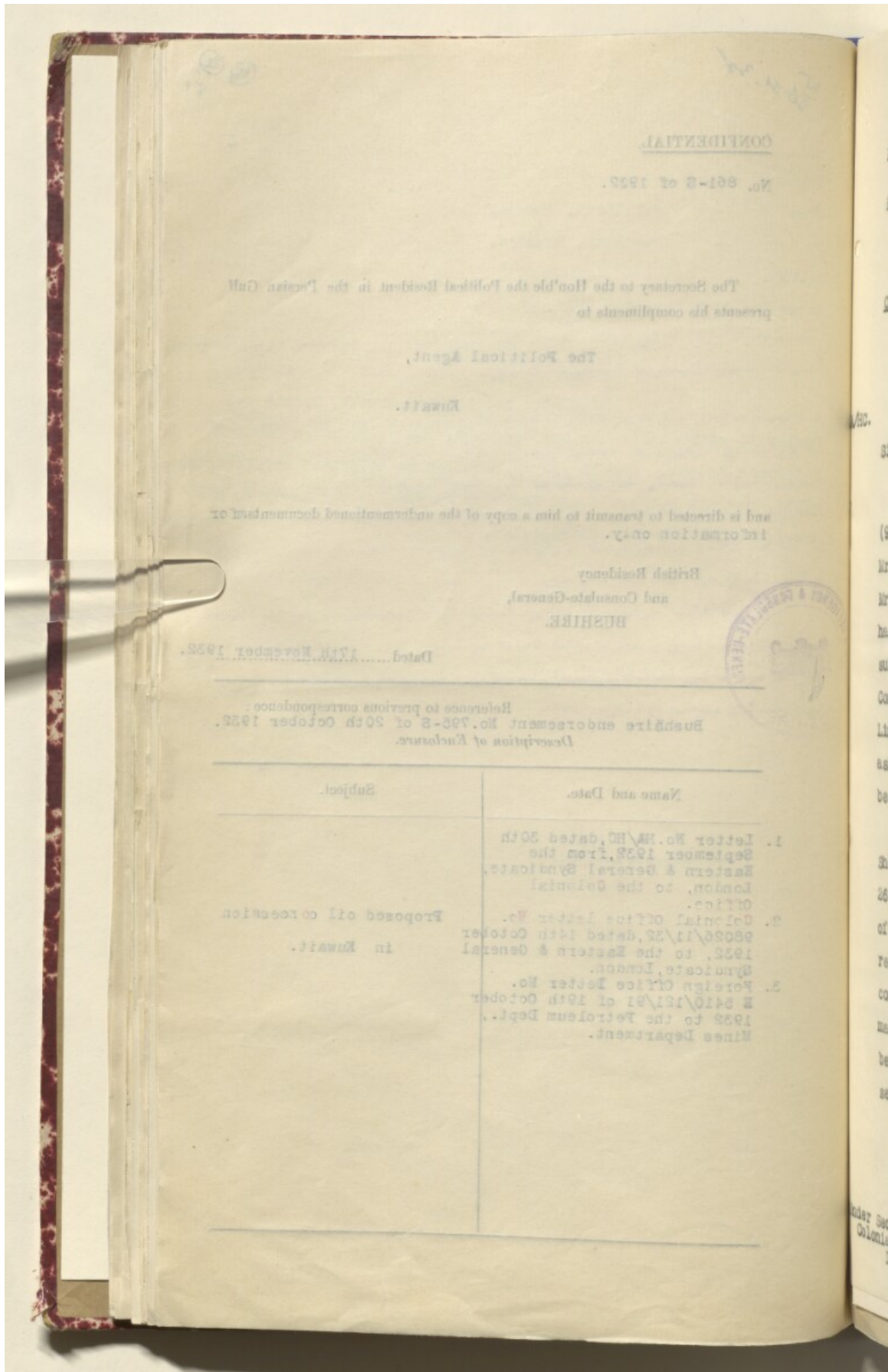
and is directed to transmit to him a copy of the undermentioned documents for
information only.

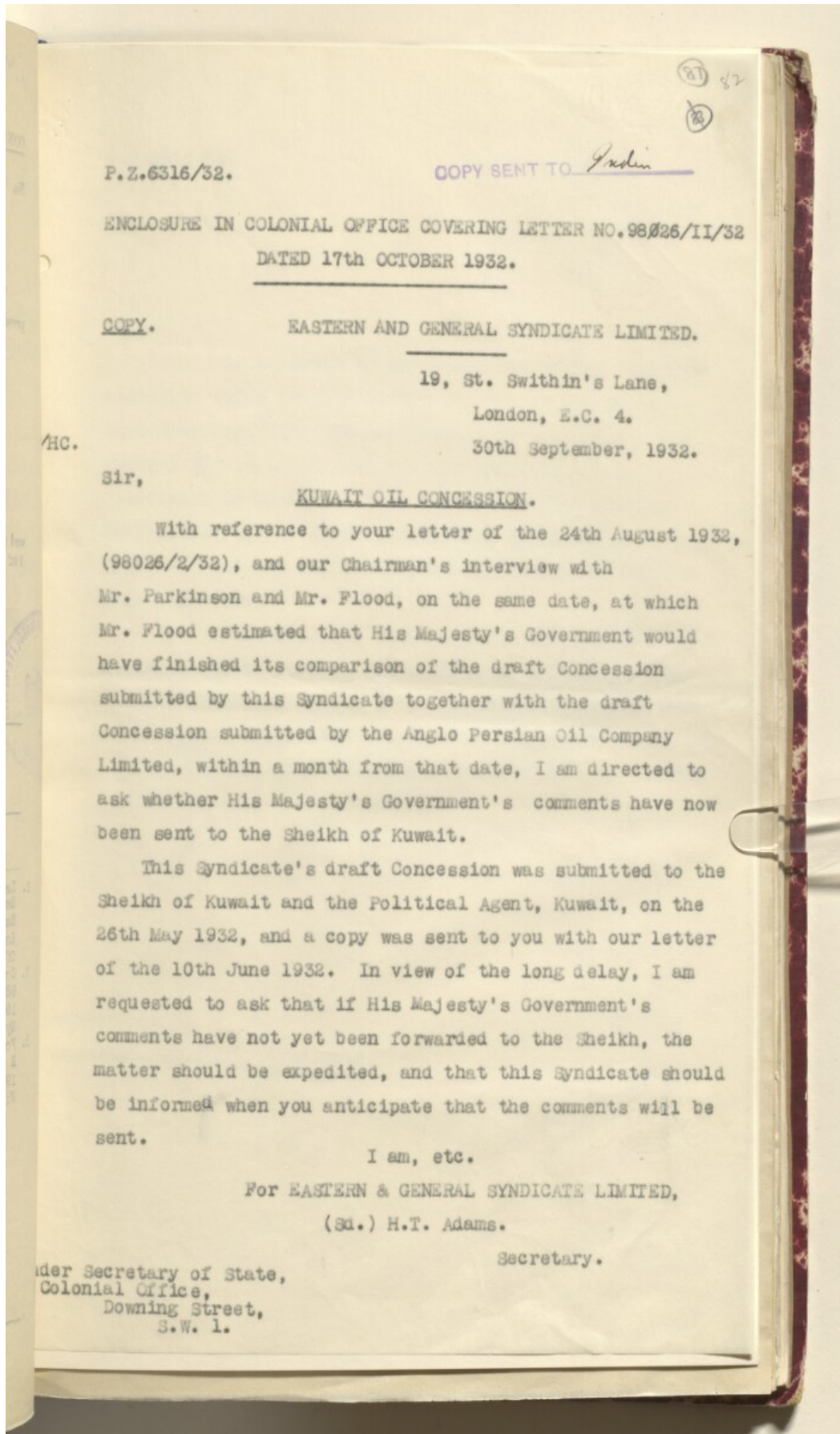
British Residency
and Consulate-General,
BUSHIRE.

Dated.....17th November 1932.

Reference to previous correspondence:
Bushire endorsement No.795-S of 20th October 1932.
Description of Enclosure.

Name and Date.	Subject.
1. Letter No.HA/HC,dated 30th September 1932,from the Eastern & General Syndicate, London, to the Colonial Office.	
2. Colonial Office letter No. 98026/11/32,dated 14th October 1932, to the Eastern & General Syndicate, London.	Proposed oil concession in Kuwait.
3. Foreign Office letter No. E 5410/121/91 of 19th October 1932 to the Petroleum Dept., Mines Department.	





P.Z.6316/32.

COPY SENT TO India

ENCLOSURE IN COLONIAL OFFICE COVERING LETTER NO.98026/11/32
DATED 17th OCTOBER 1932.

COPY.

EASTERN AND GENERAL SYNDICATE LIMITED.

19, St. Swithin's Lane,
London, E.C. 4.

30th September, 1932.

HC.

Sir,

KUWAIT OIL CONCESSION.

With reference to your letter of the 24th August 1932, (98026/2/32), and our Chairman's interview with Mr. Parkinson and Mr. Flood, on the same date, at which Mr. Flood estimated that His Majesty's Government would have finished its comparison of the draft Concession submitted by this Syndicate together with the draft Concession submitted by the Anglo Persian Oil Company Limited, within a month from that date, I am directed to ask whether His Majesty's Government's comments have now been sent to the Sheikh of Kuwait.

This Syndicate's draft Concession was submitted to the Sheikh of Kuwait and the Political Agent, Kuwait, on the 26th May 1932, and a copy was sent to you with our letter of the 10th June 1932. In view of the long delay, I am requested to ask that if His Majesty's Government's comments have not yet been forwarded to the Sheikh, the matter should be expedited, and that this Syndicate should be informed when you anticipate that the comments will be sent.

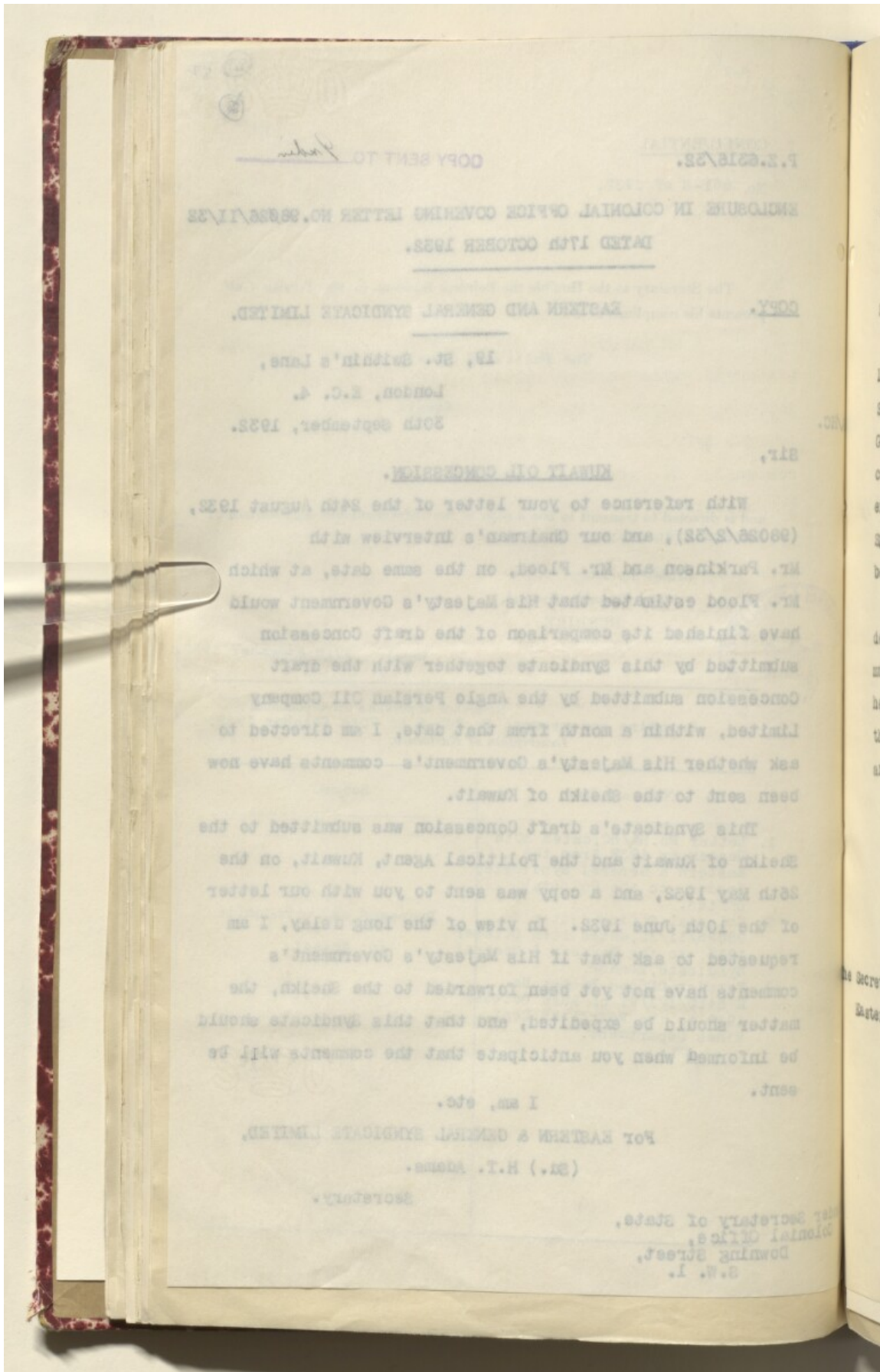
I am, etc.

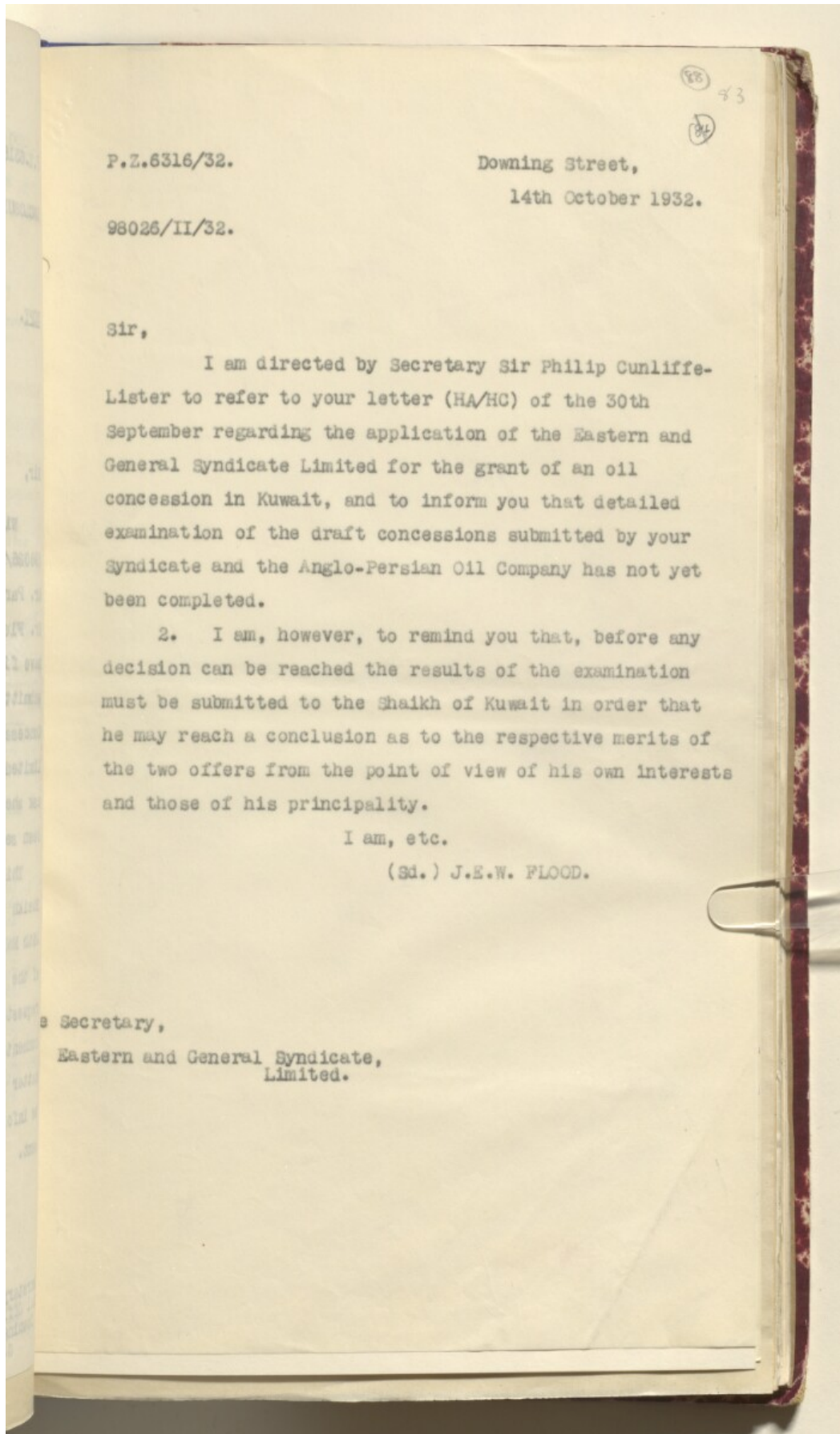
For EASTERN & GENERAL SYNDICATE LIMITED,

(Sd.) H.T. Adams.

Secretary.

Under Secretary of State,
Colonial Office,
Downing Street,
S.W. 1.





P.Z.6316/32.

Downing Street,
14th October 1932.

98026/II/32.

Sir,

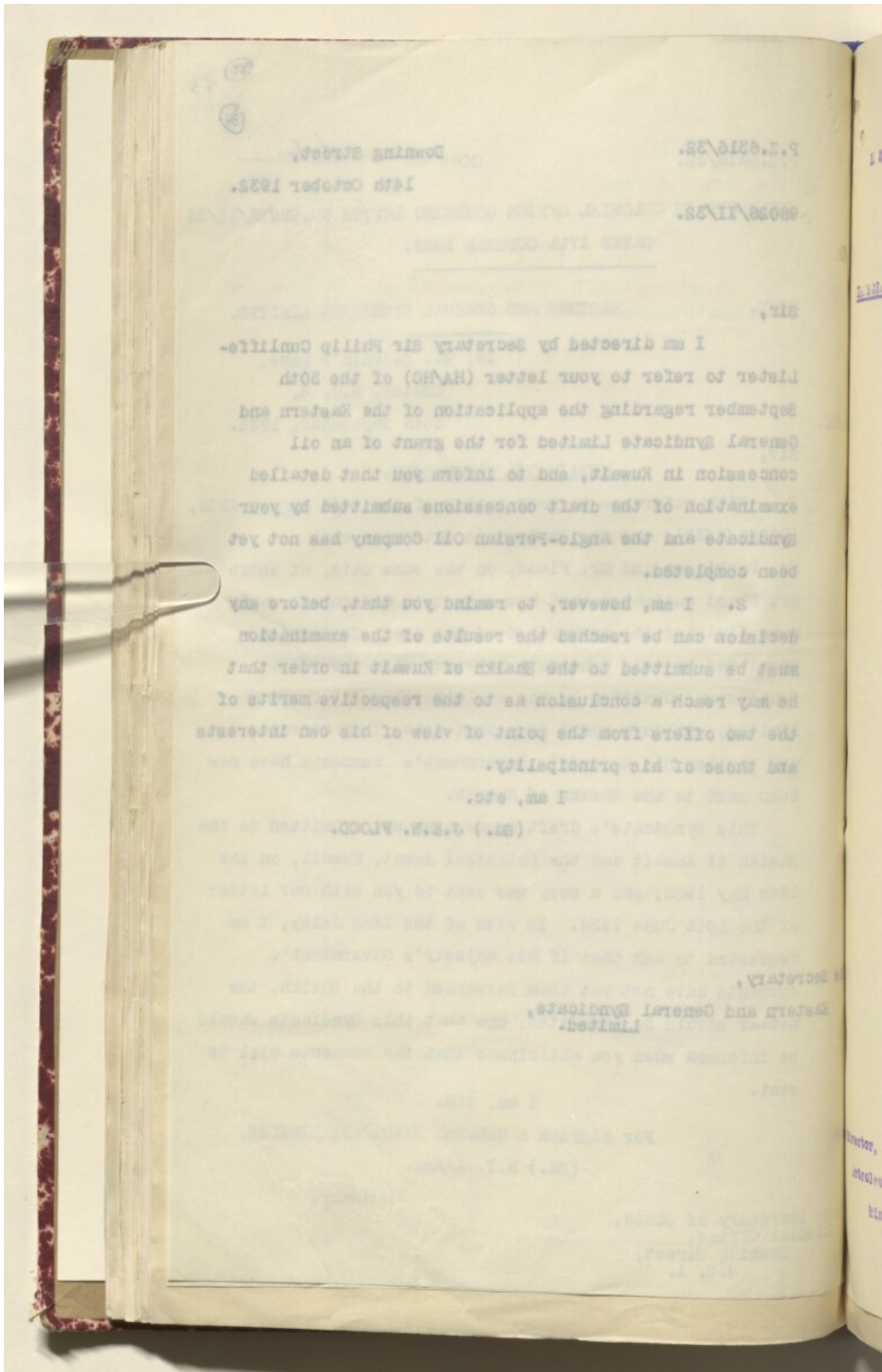
I am directed by Secretary Sir Philip Cunliffe-Lister to refer to your letter (HA/HC) of the 30th September regarding the application of the Eastern and General Syndicate Limited for the grant of an oil concession in Kuwait, and to inform you that detailed examination of the draft concessions submitted by your Syndicate and the Anglo-Persian Oil Company has not yet been completed.

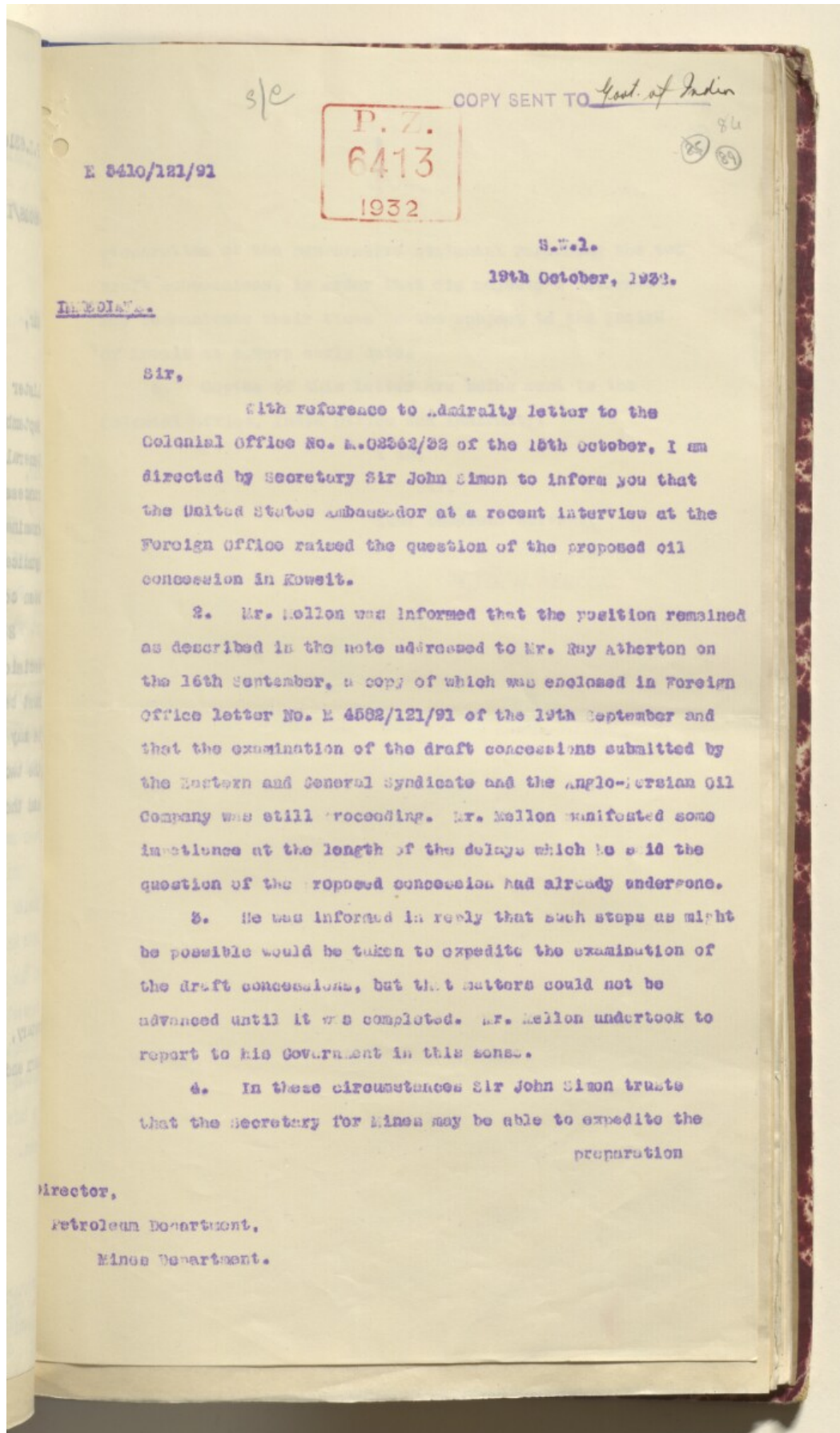
2. I am, however, to remind you that, before any decision can be reached the results of the examination must be submitted to the Shaikh of Kuwait in order that he may reach a conclusion as to the respective merits of the two offers from the point of view of his own interests and those of his principality.

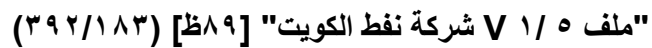
I am, etc.

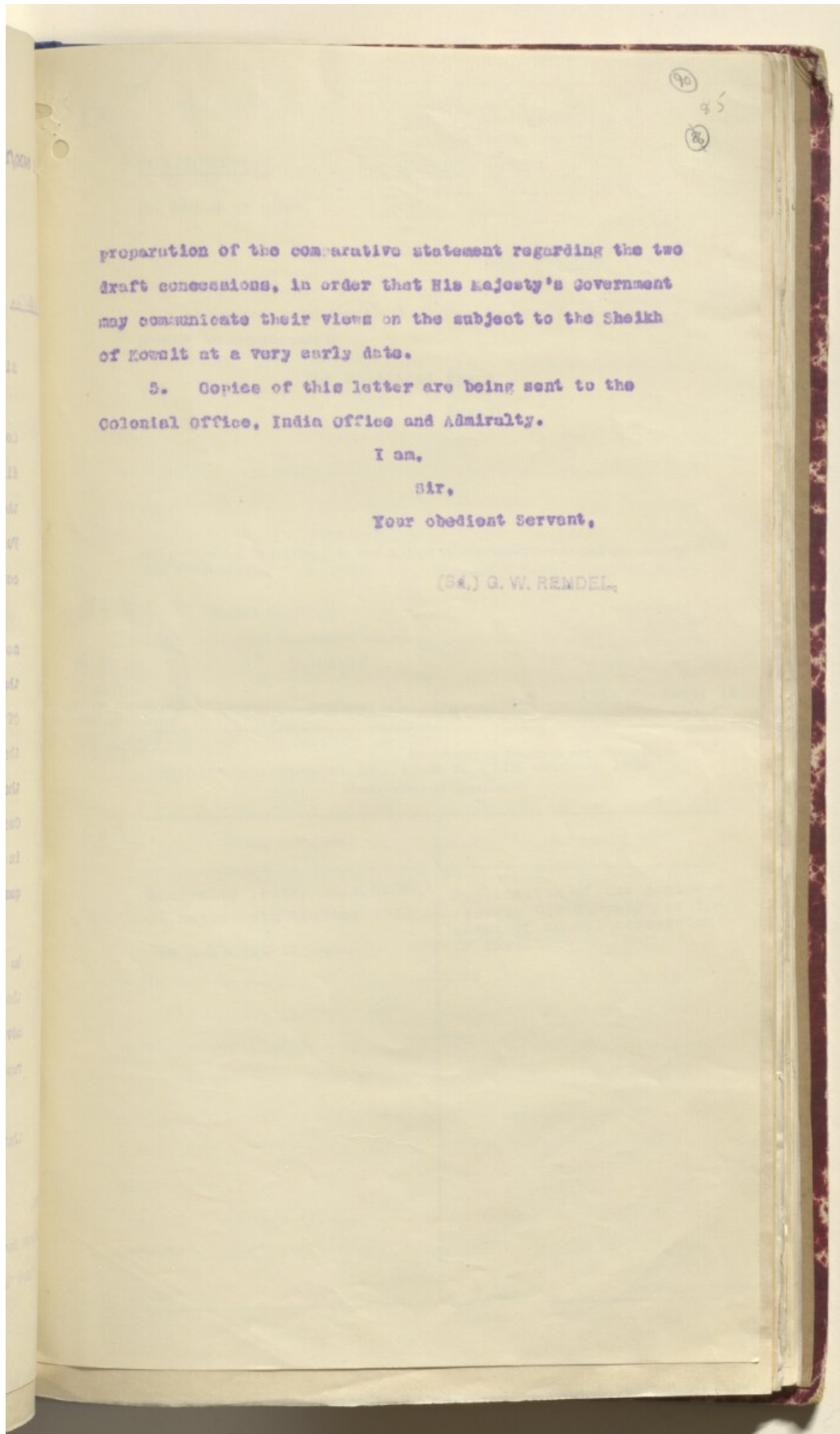
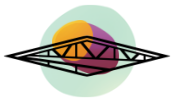
(Sd.) J.E.W. FLOOD.

Secretary,
Eastern and General Syndicate,
Limited.









preparation of the comparative statement regarding the two draft concessions, in order that His Majesty's Government may communicate their views on the subject to the Sheikh of Kuwait at a very early date.

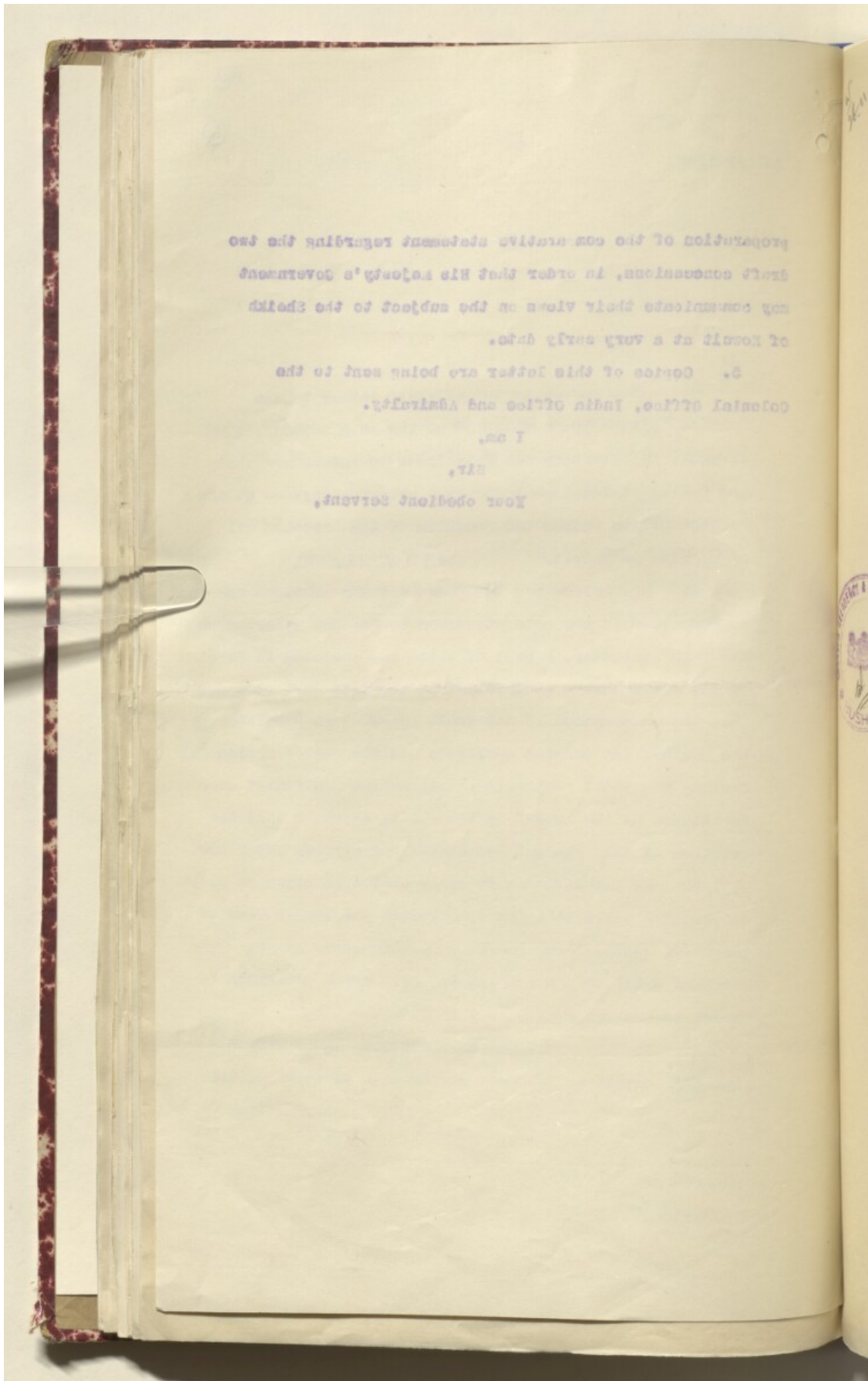
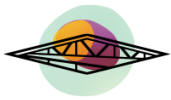
5. Copies of this letter are being sent to the Colonial Office, India Office and Admiralty.

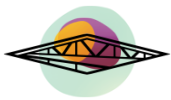
I am,

Sir,

Your obedient Servant,

(Sd.) G. W. RENDEL





45
26.11.32

(91)
46
47

CONFIDENTIAL.

No. 862-S pf 1932.

The Secretary to the Hon'ble the Political Resident in the Persian Gulf
presents his compliments to

The Political Agent,
Kuwait.

and is directed to transmit to him a copy of the undermentioned document, for
information.

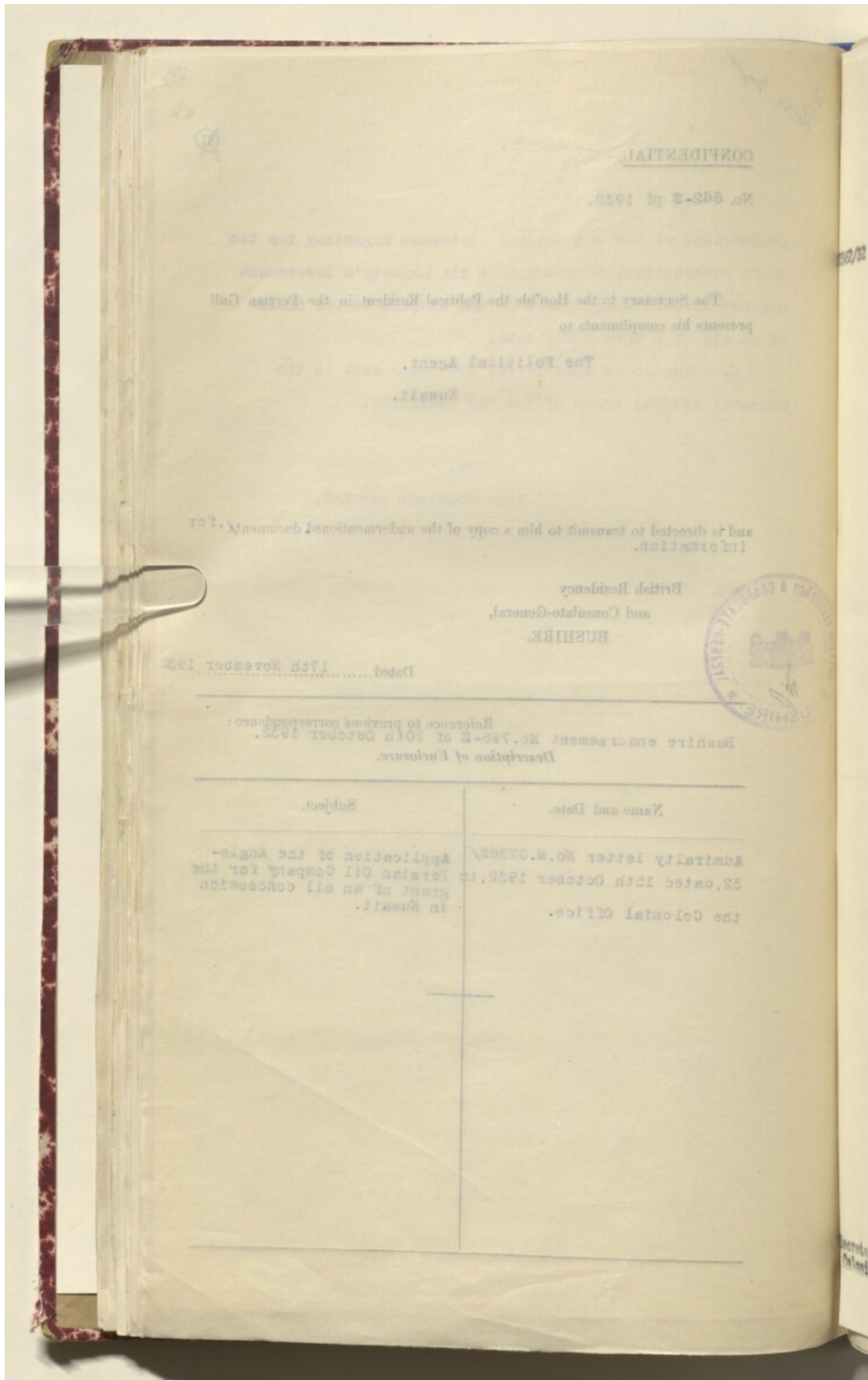
British Residency
and Consulate-General,
BUSHIRE.

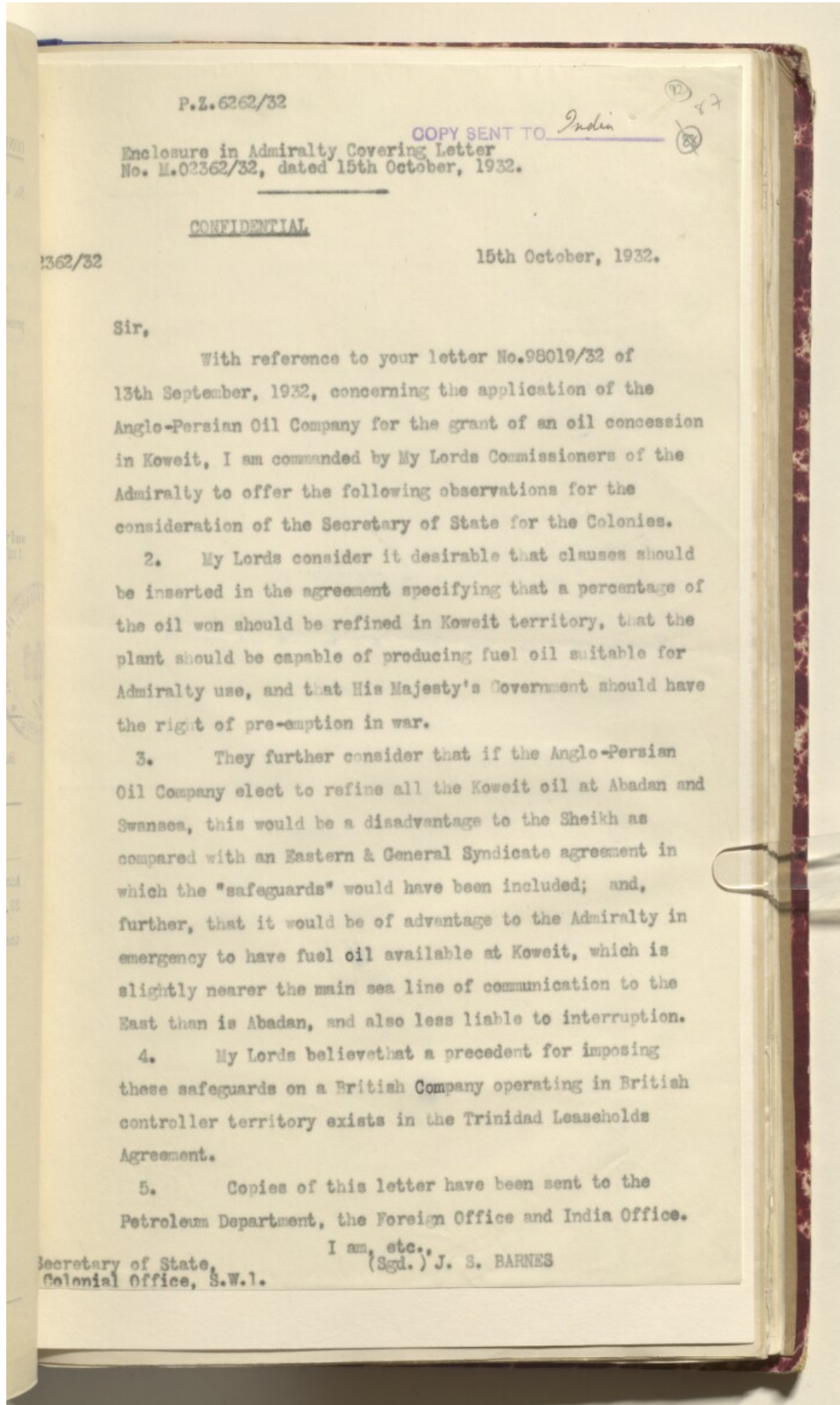
Dated.....17th November 1932

Reference to previous correspondence:
Bushire endorsement No.795-S of 20th October 1932.

Description of Enclosure.

Name and Date.	Subject.
Admiralty letter No.M.02362/ 32, dated 15th October 1932, to the Colonial Office.	Application of the Anglo- Persian Oil Company for the grant of an oil concession in Kuwait.





P.Z. 6262/32

Enclosure in Admiralty Covering Letter
No. M. 02362/32, dated 15th October, 1932.

COPY SENT TO India

CONFIDENTIAL

1362/32

15th October, 1932.

Sir,

With reference to your letter No. 98019/32 of 13th September, 1932, concerning the application of the Anglo-Persian Oil Company for the grant of an oil concession in Kuwait, I am commanded by My Lords Commissioners of the Admiralty to offer the following observations for the consideration of the Secretary of State for the Colonies.

2. My Lords consider it desirable that clauses should be inserted in the agreement specifying that a percentage of the oil won should be refined in Kuwait territory, that the plant should be capable of producing fuel oil suitable for Admiralty use, and that His Majesty's Government should have the right of pre-emption in war.

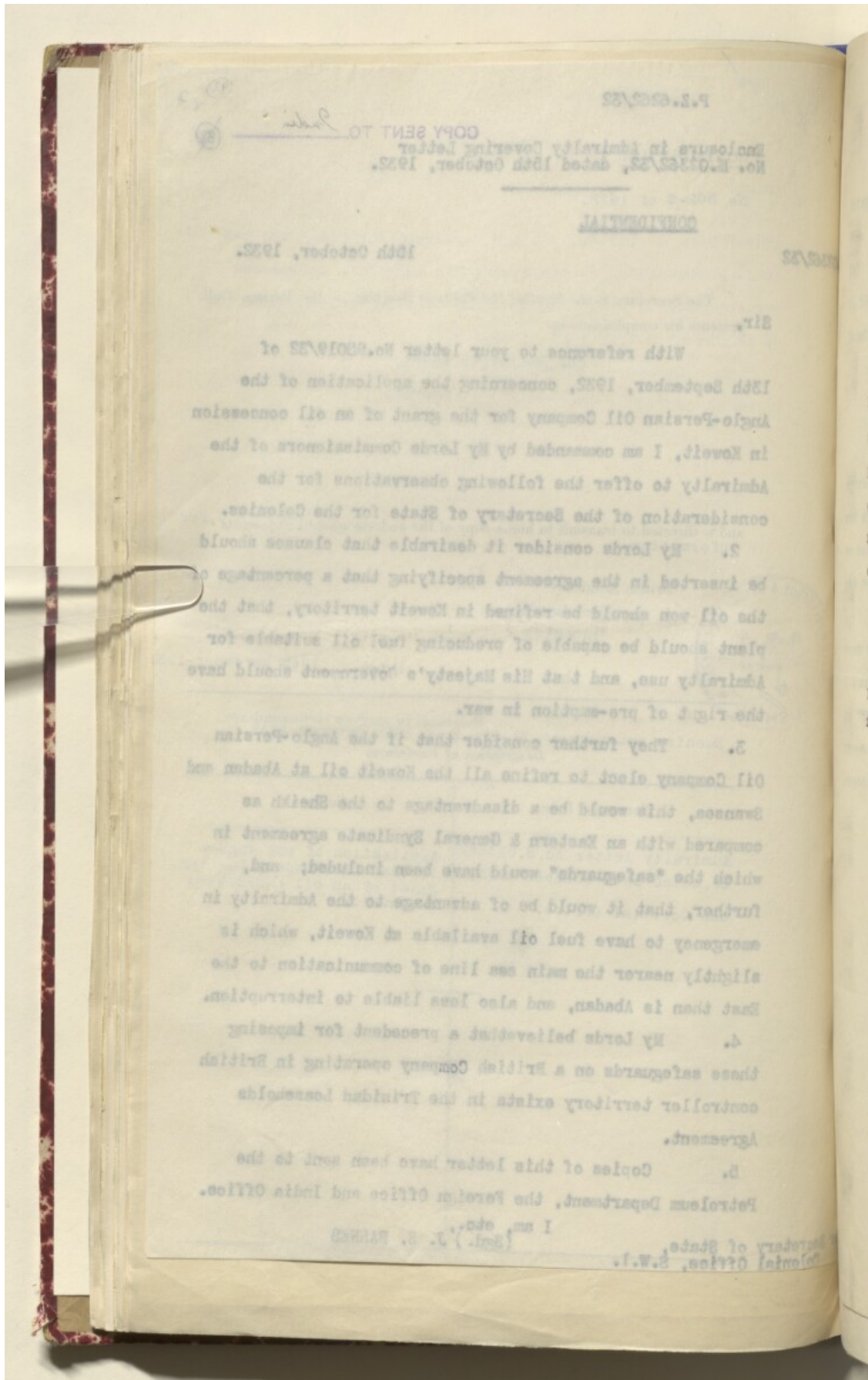
3. They further consider that if the Anglo-Persian Oil Company elect to refine all the Kuwait oil at Abadan and Swansea, this would be a disadvantage to the Sheikh as compared with an Eastern & General Syndicate agreement in which the "safeguards" would have been included; and, further, that it would be of advantage to the Admiralty in emergency to have fuel oil available at Kuwait, which is slightly nearer the main sea line of communication to the East than is Abadan, and also less liable to interruption.

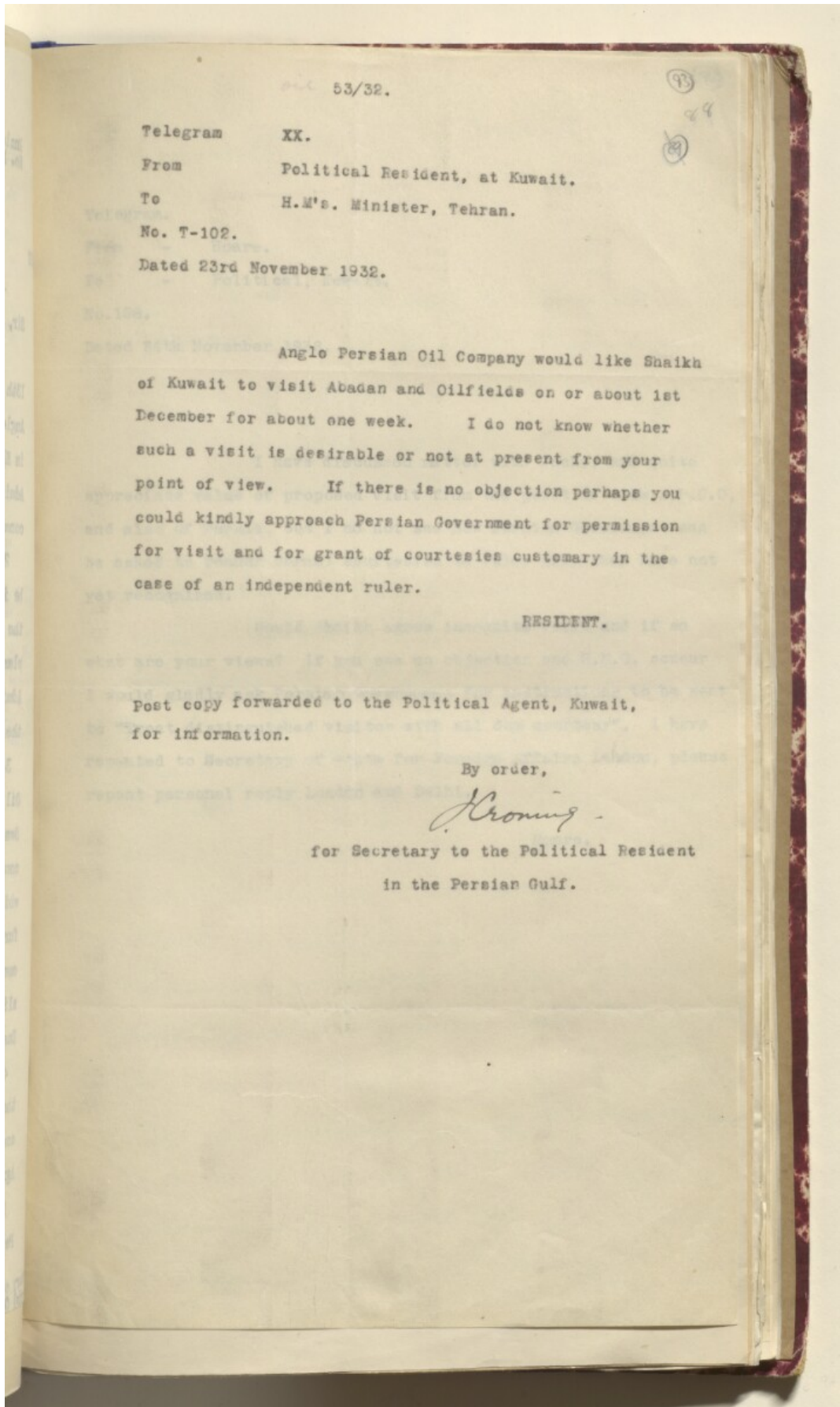
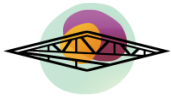
4. My Lords believe that a precedent for imposing these safeguards on a British Company operating in British controller territory exists in the Trinidad Leaseholds Agreement.

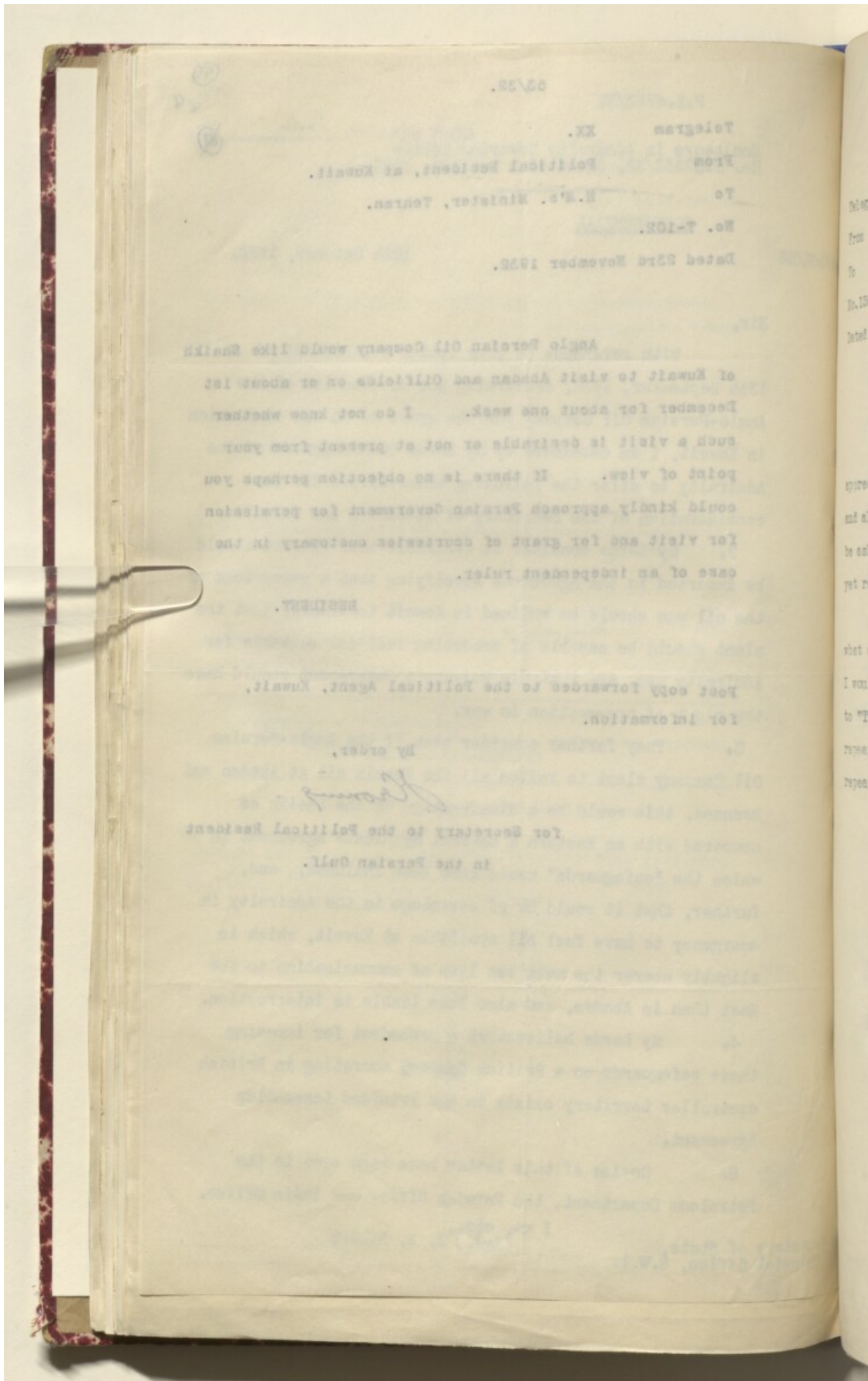
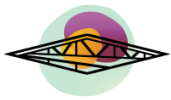
5. Copies of this letter have been sent to the Petroleum Department, the Foreign Office and India Office.

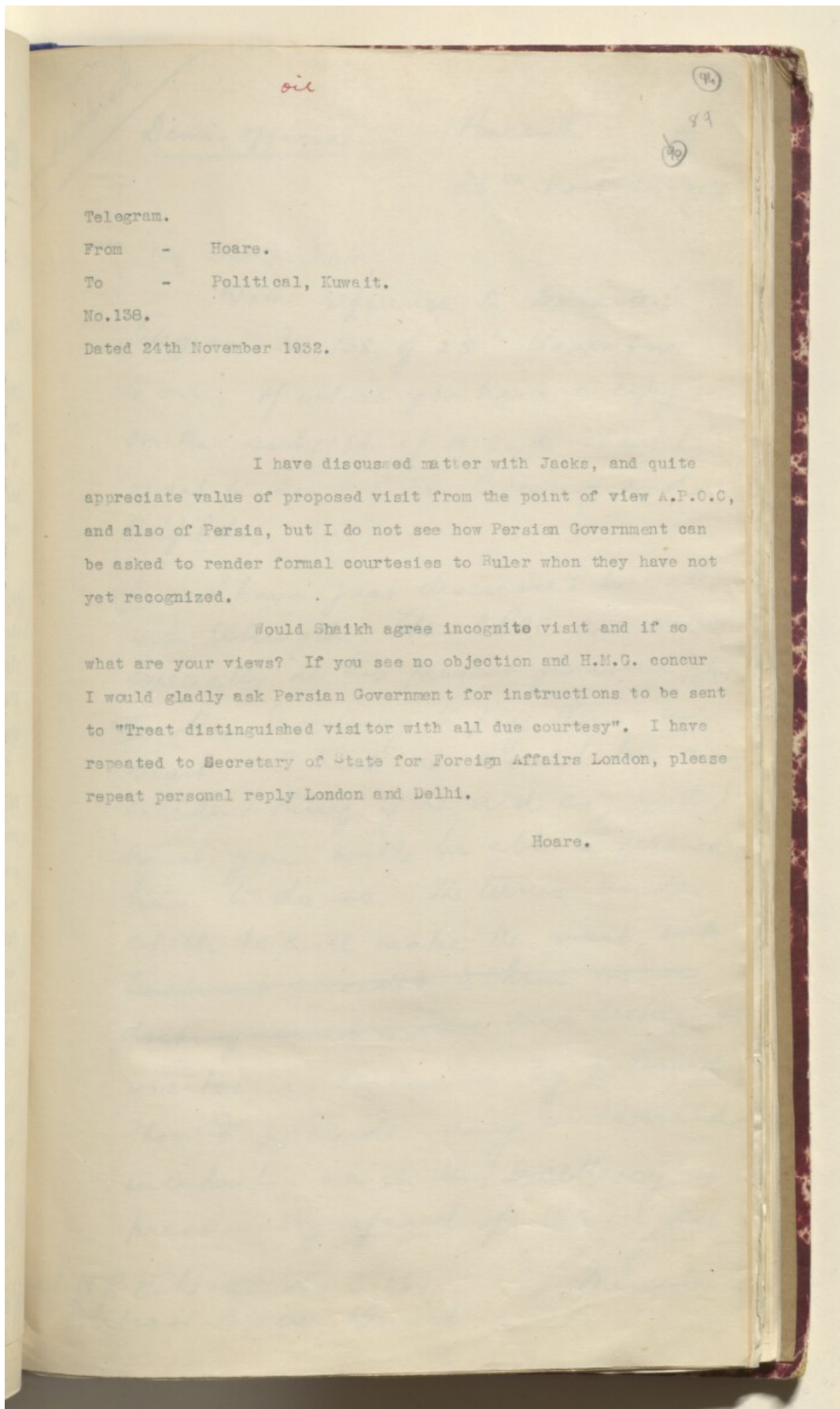
Secretary of State,
Colonial Office, S.W.1.

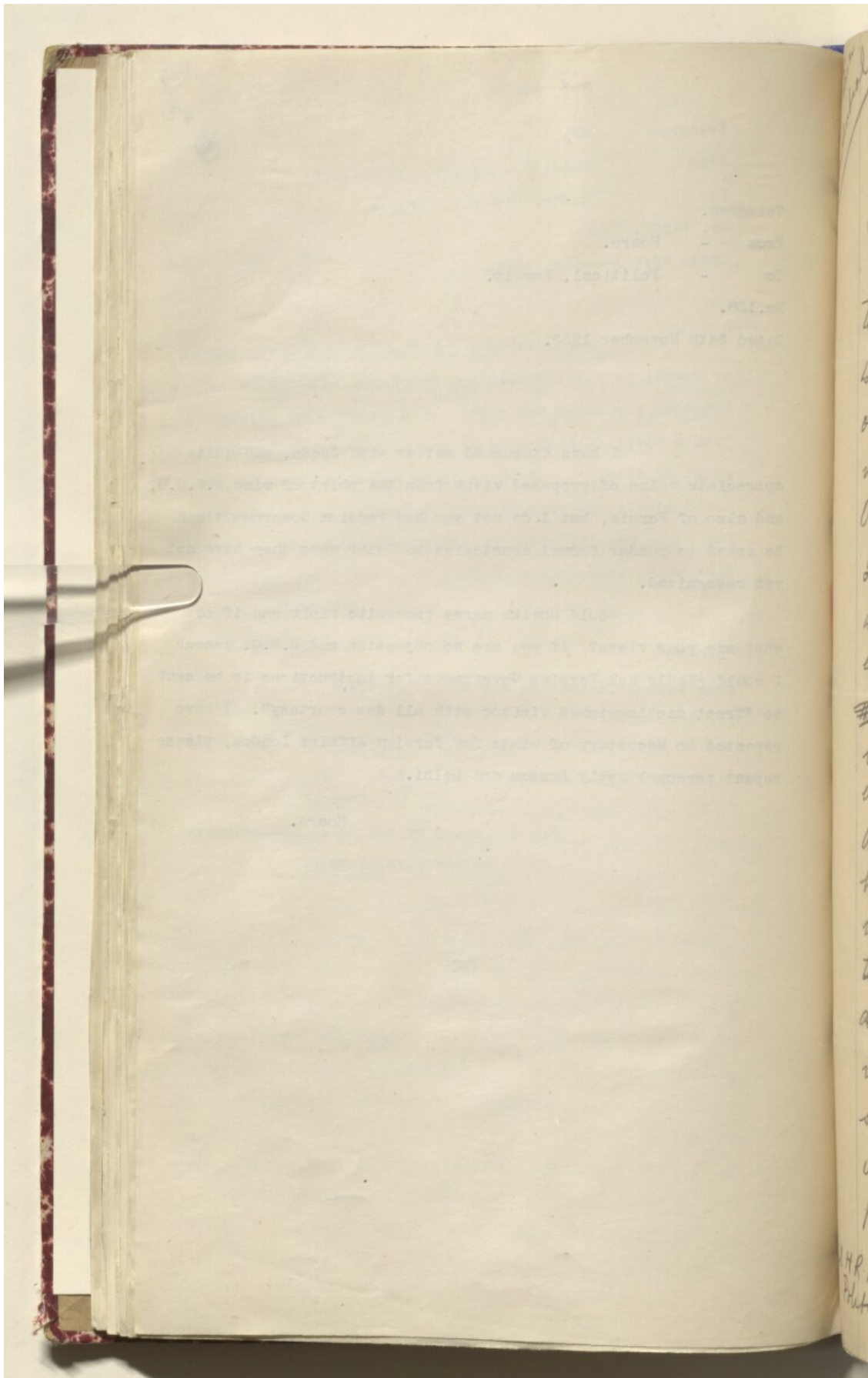
I am, etc.,
(Sgd.) J. S. BARNES

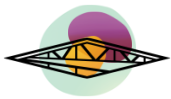












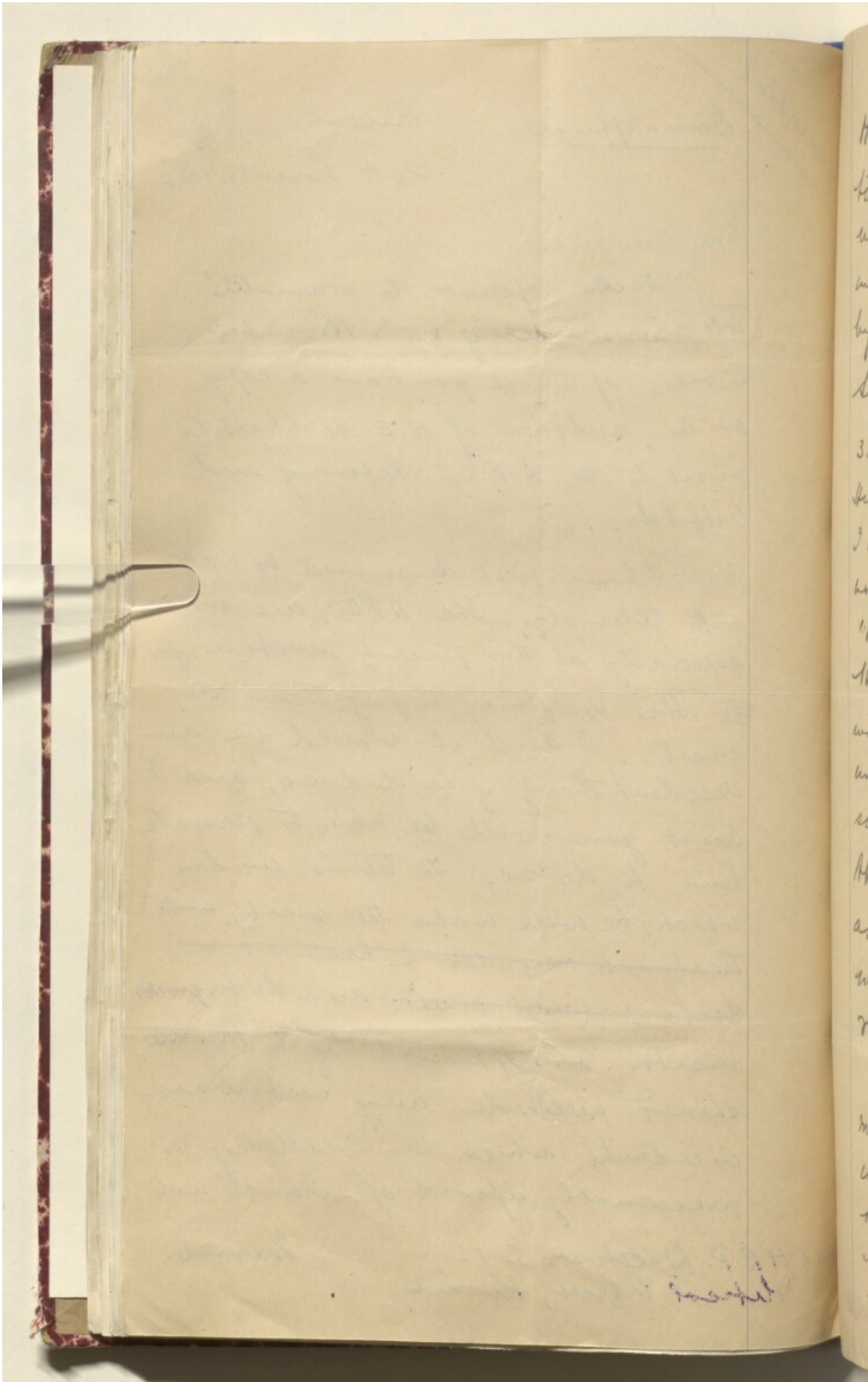
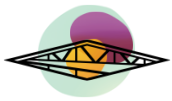
27.11.32
Confidential

Semi-official Basrah
26th November, 1932

My dear Dickson,
With reference to Minister's
Telegram No 138 of 25th November
to me, of which you have a copy,
on the subject of H.E. Mr. Shaikh's
visit to the A.P.O.C. Refinery and
Oilfields.

I have just discussed the matter
with Elkhington. The A.P.O.C. are anxious,
especially at this present juncture, for
His Excellency to pay them a
visit. I think it would be an
excellent thing if he did so, and I
trust you will be able to persuade
him to do so. The terms under
which he will make the visit, ~~with~~
~~treatment accorded to him as a~~
~~distinguished visitor~~, as a distinguished
visitor, as explained by the Minister,
should preclude any untoward
incidents, which His Excellency is
presumably afraid of. I will ask

Minister
H.R.P. Dickson, C.I.E.,
Political Agent, Kuwait.





2

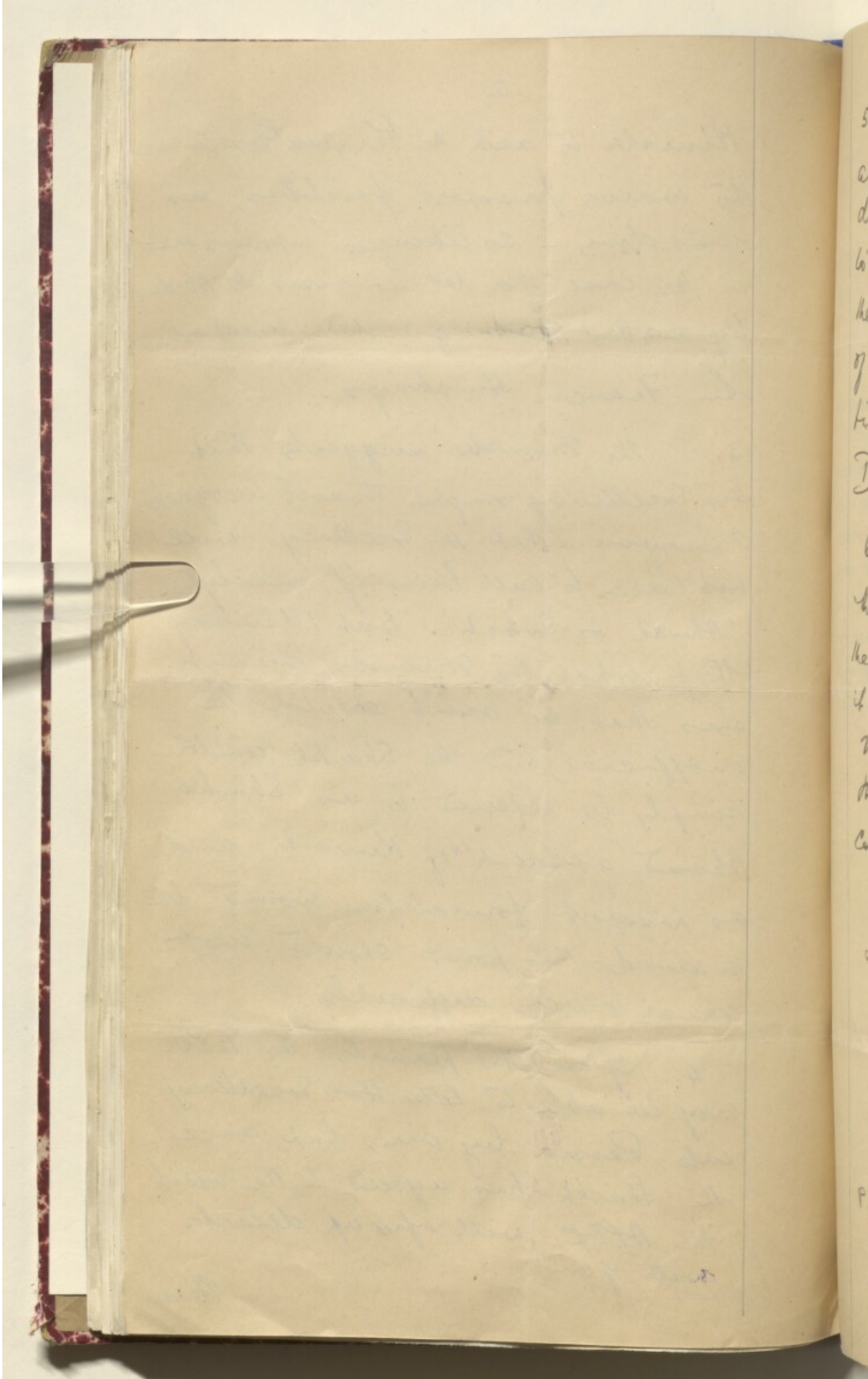
(92) (96)
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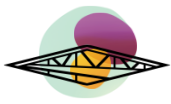
Minister to ask the Persian Government to waive passport facilities, as was done - so Elkington informs me - in the case of a recent visit to Abadan by another distinguished visitor, Sir Francis Humphreys.

3. The Minister suggests that His Excellency might travel incognito. I imagine that His Excellency will not care to call himself merely 'Ahmad As-Sabah'. But I dare say that what the Minister meant was that the visit should be unofficial, and the Shaikh could simply be referred to as Shaikh Ahmad As-Sabah of Kuwait, and as passport formalities would be waived this point should not raise much difficulty.

4. If weather permits the A.P.O.C. may be able to take His Excellency into Persia by air, but once the Shaikh has agreed to the visit the A.P.O.C. will fix up details with you

Please





3

(٩٧)

(٩٨)

5. Please let me have a wire as to the Sheikh's decision in due course. There is no need to rush him for a decision as the visit, from the R.P.O.C. point of view, can be made any time in the first half of December.

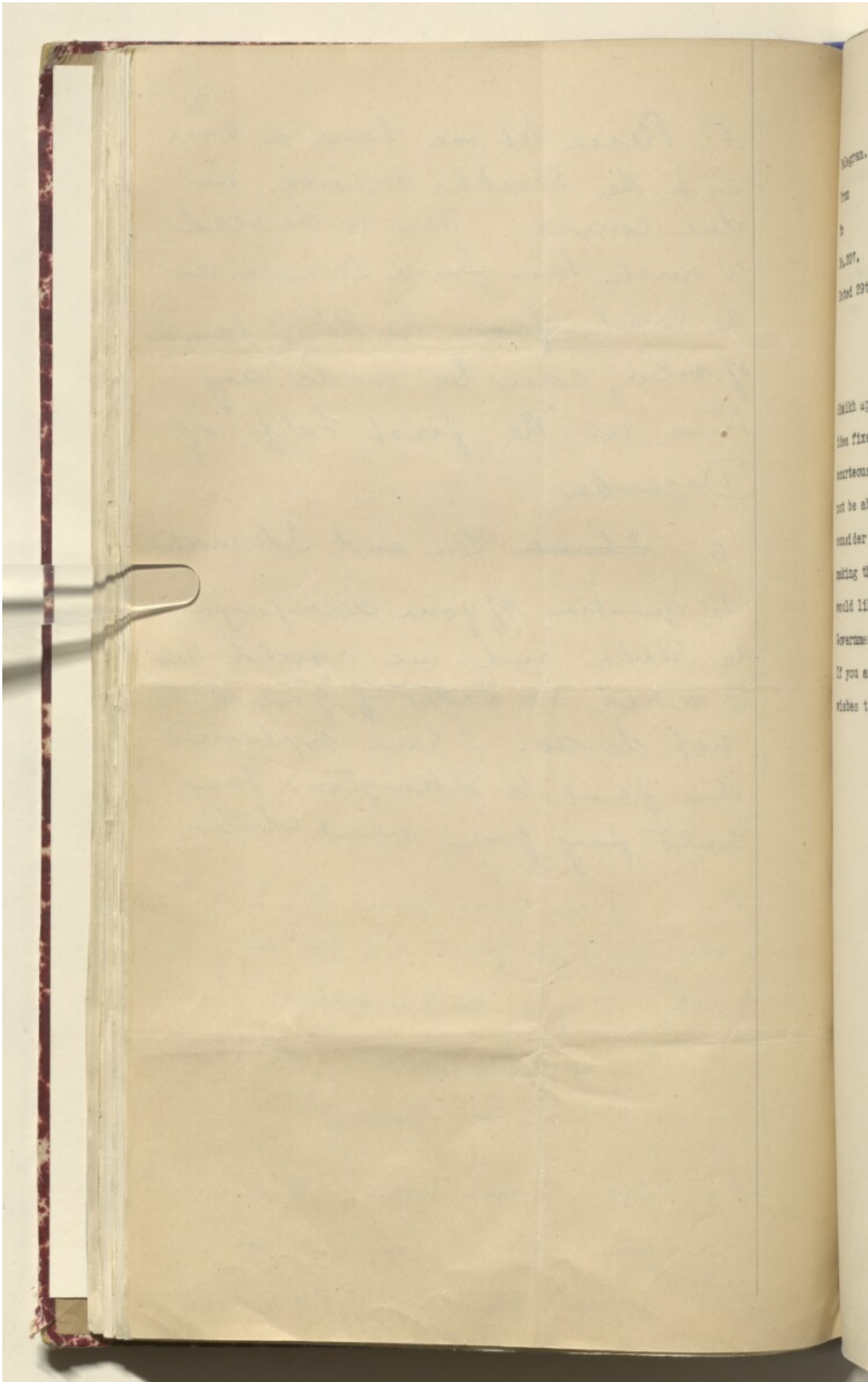
6. ~~I have~~ You and I discussed the question of your accompanying the Sheikh and we agreed that it would be better if you did not do so. I have explained this point to Elkington. You could pay your visit later.

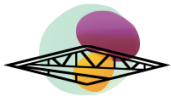
Please return formic but I am using it for making a carbon copy to be kept in our files.

Yours sincerely

T.C. Power

P.S. I left my camera behind in the agency. Could you have it sent to me if possible? P.A. Jaleel.





Telegram.

From - Political, Kuwait.

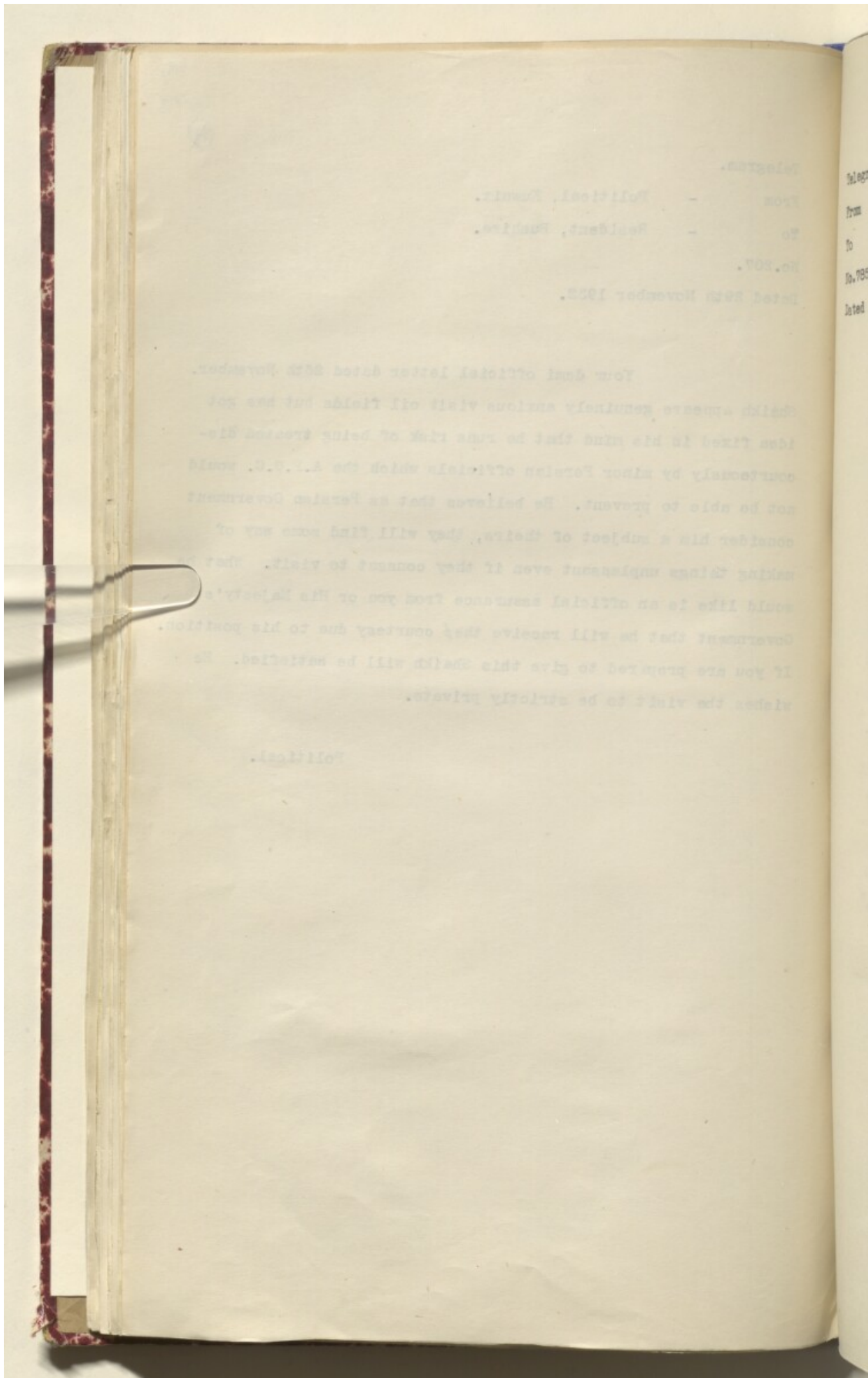
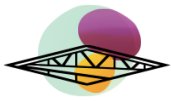
To - Resident, Bushire.

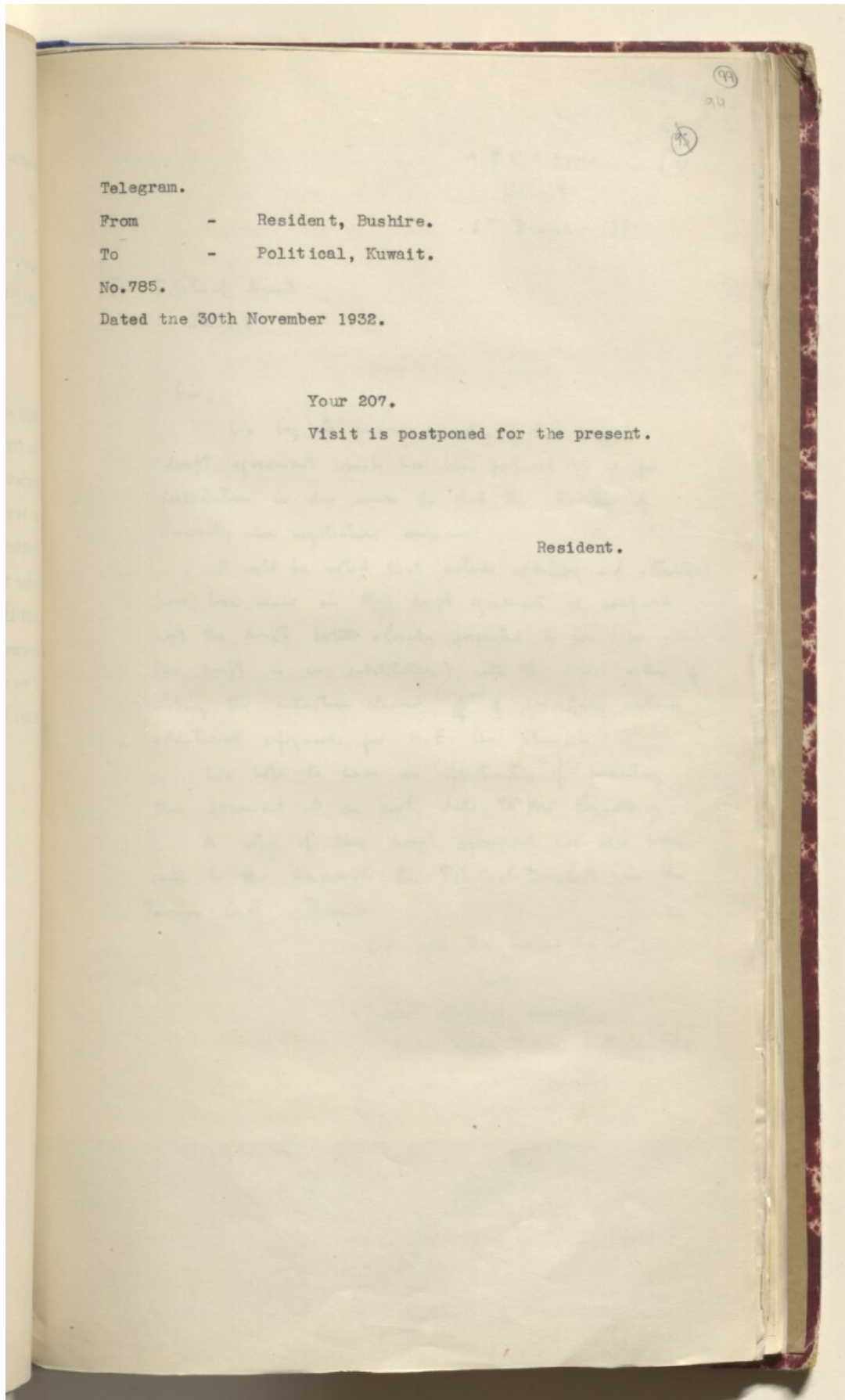
No.207.

Dated 29th November 1932.

Your demi official letter dated 26th November. Shaikh appears genuinely anxious visit oil fields but has got idea fixed in his mind that he runs risk of being treated discourteously by minor Persian officials which the A.P.O.C. would not be able to prevent. He believes that as Persian Government consider him a subject of theirs, they will find some way of making things unpleasant even if they consent to visit. What he would like is an official assurance from you or His Majesty's Government that he will receive the courtesy due to his position. If you are prepared to give this Shaikh will be satisfied. He wishes the visit to be strictly private.

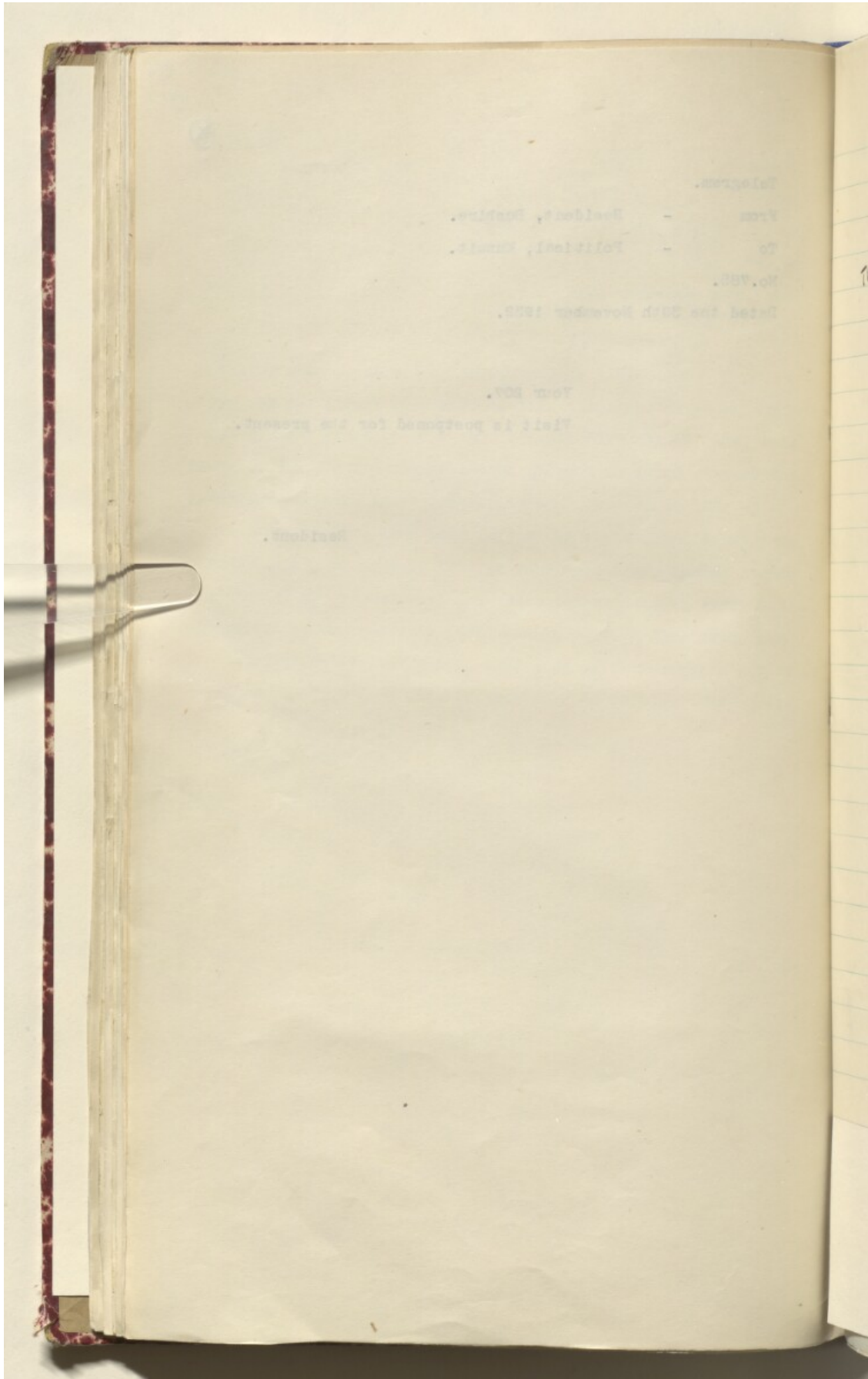
Political.

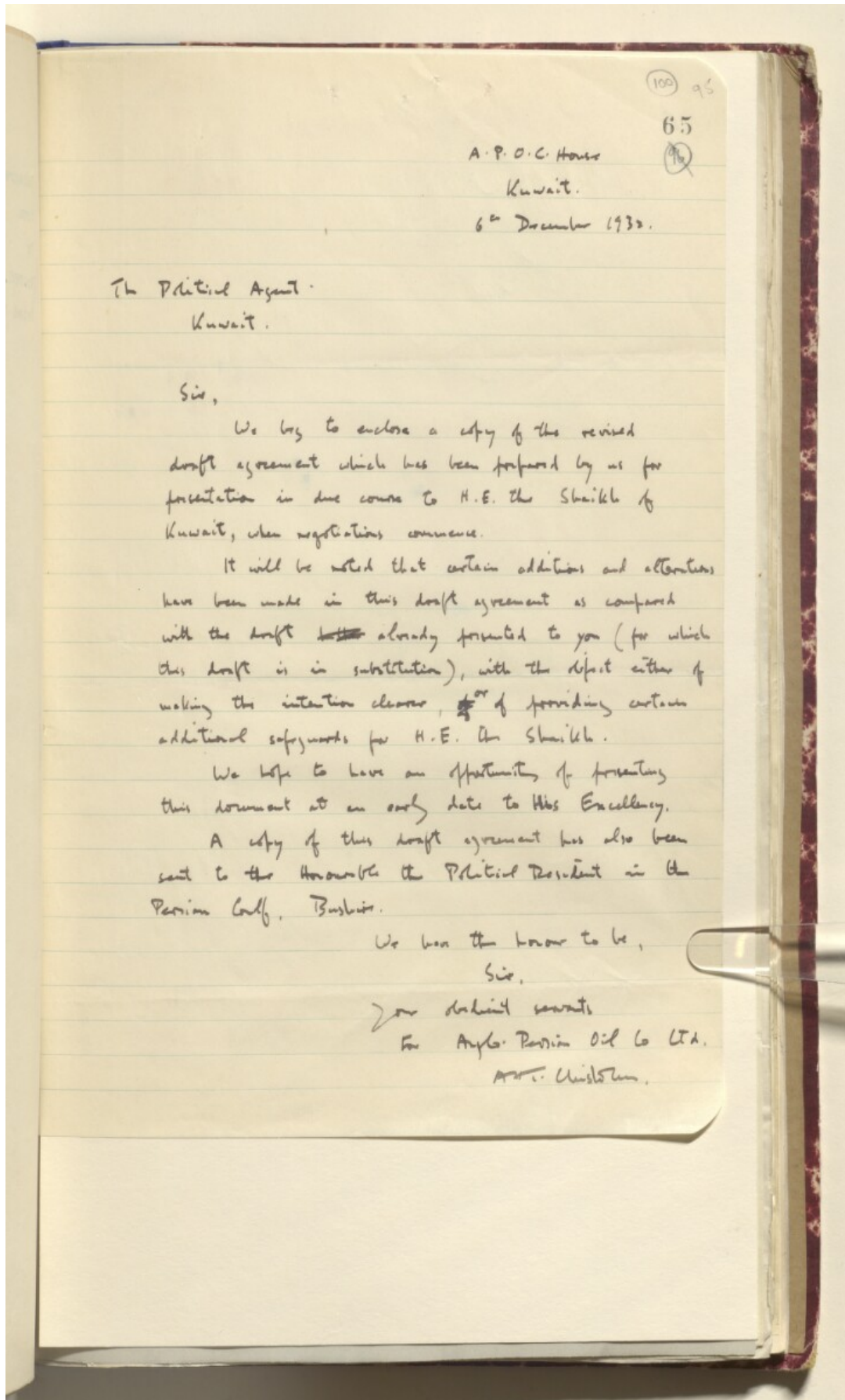






"ملف ٥ / ١ ٧ شركة نفط الكويت" [٩٩ظ] (٣٩٢/٢٠٣)





(100) 95

65

A.P.O.C. House

Kuwait.

6th December 1933.

The Political Agent.
Kuwait.

Sir,

We beg to enclose a copy of the revised draft agreement which has been prepared by us for presentation in due course to H.E. the Shaikh of Kuwait, when negotiations commence.

It will be noted that certain additions and alterations have been made in this draft agreement as compared with the draft ~~letter~~ already presented to you (for which this draft is in substitution), with the object either of making the intention clearer, ~~or~~ of providing certain additional safeguards for H.E. the Shaikh.

We hope to have an opportunity of presenting this document at an early date to His Excellency.

A copy of this draft agreement has also been sent to the Honorable the Political Resident in the Persian Gulf, Bahrain.

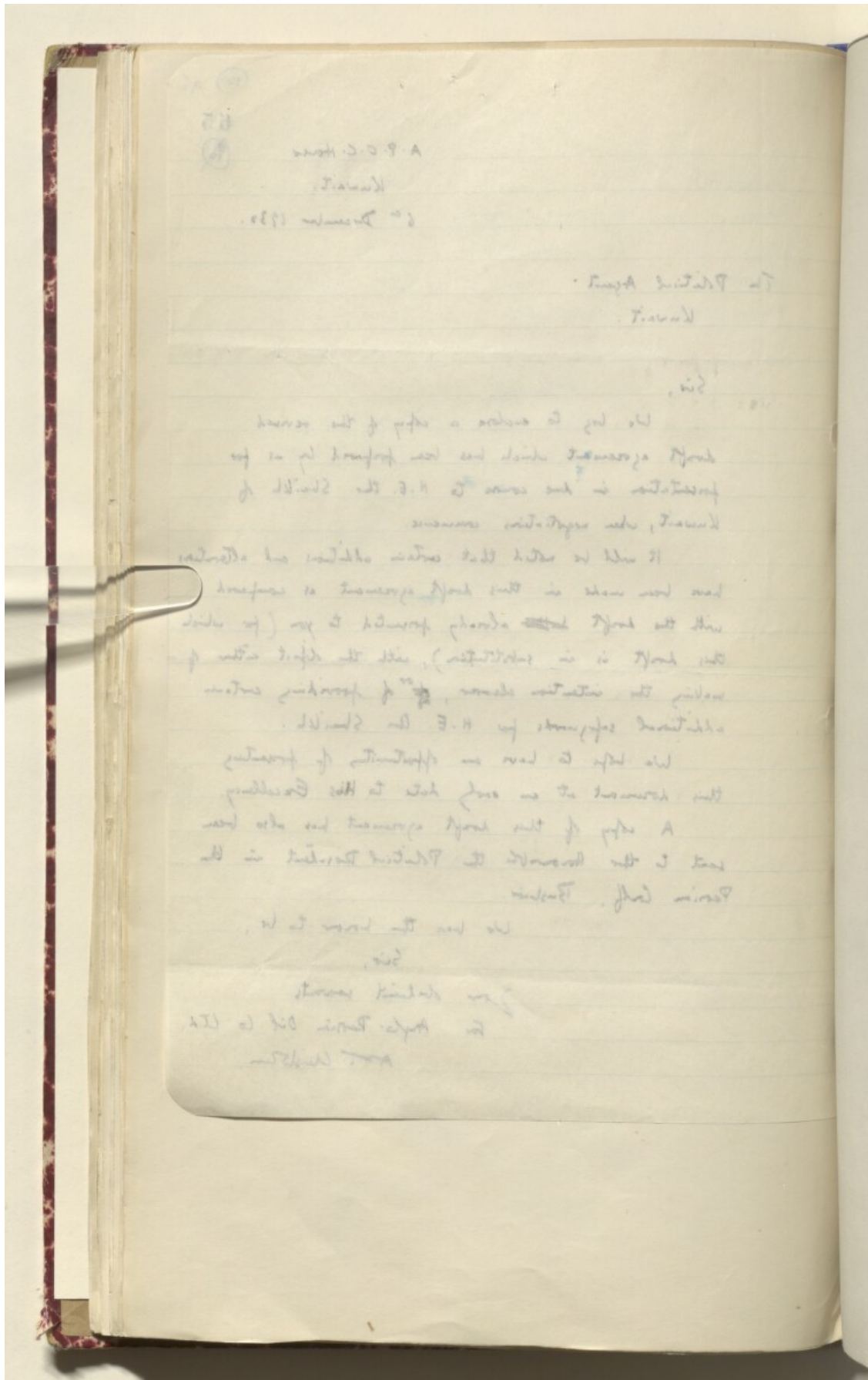
We have the honor to be,

Sir,

Yours obedient servants

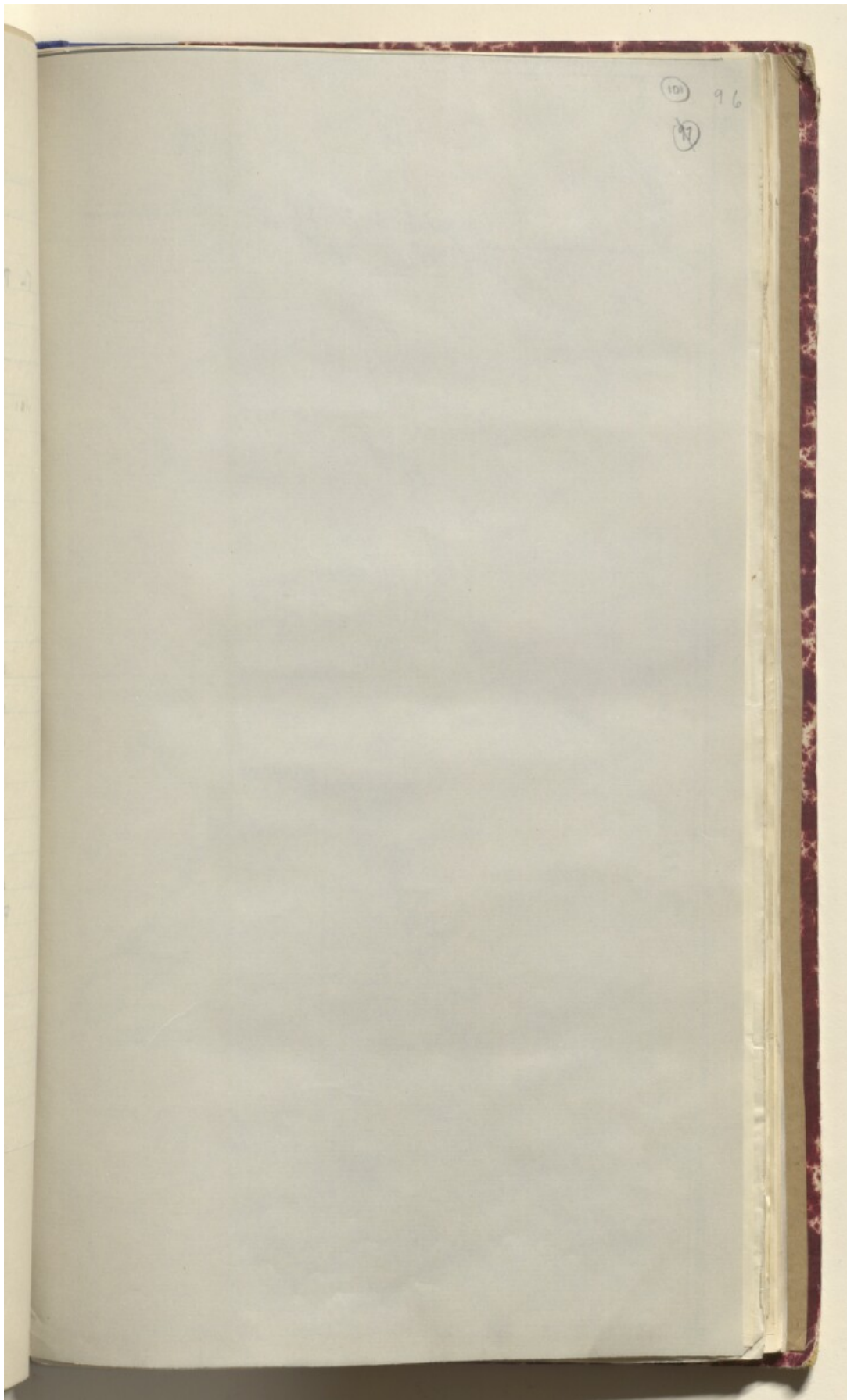
For Anglo-Persian Oil Co. Ltd.

A. C. Whitlam.



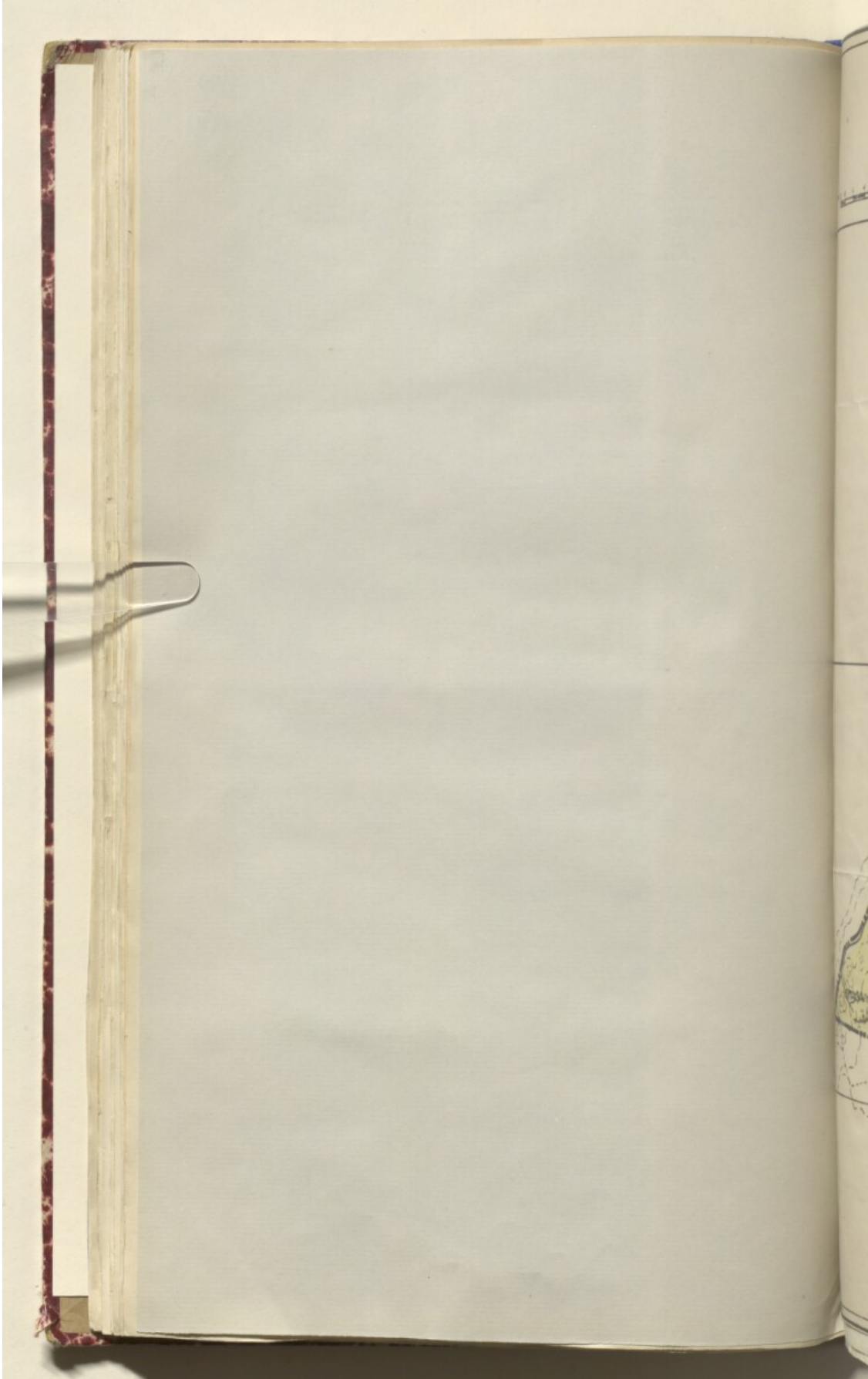


"ملف ٥ / ١ V شركة نفط الكويت" [١٠١و] (٣٩٢/٢٠٦)



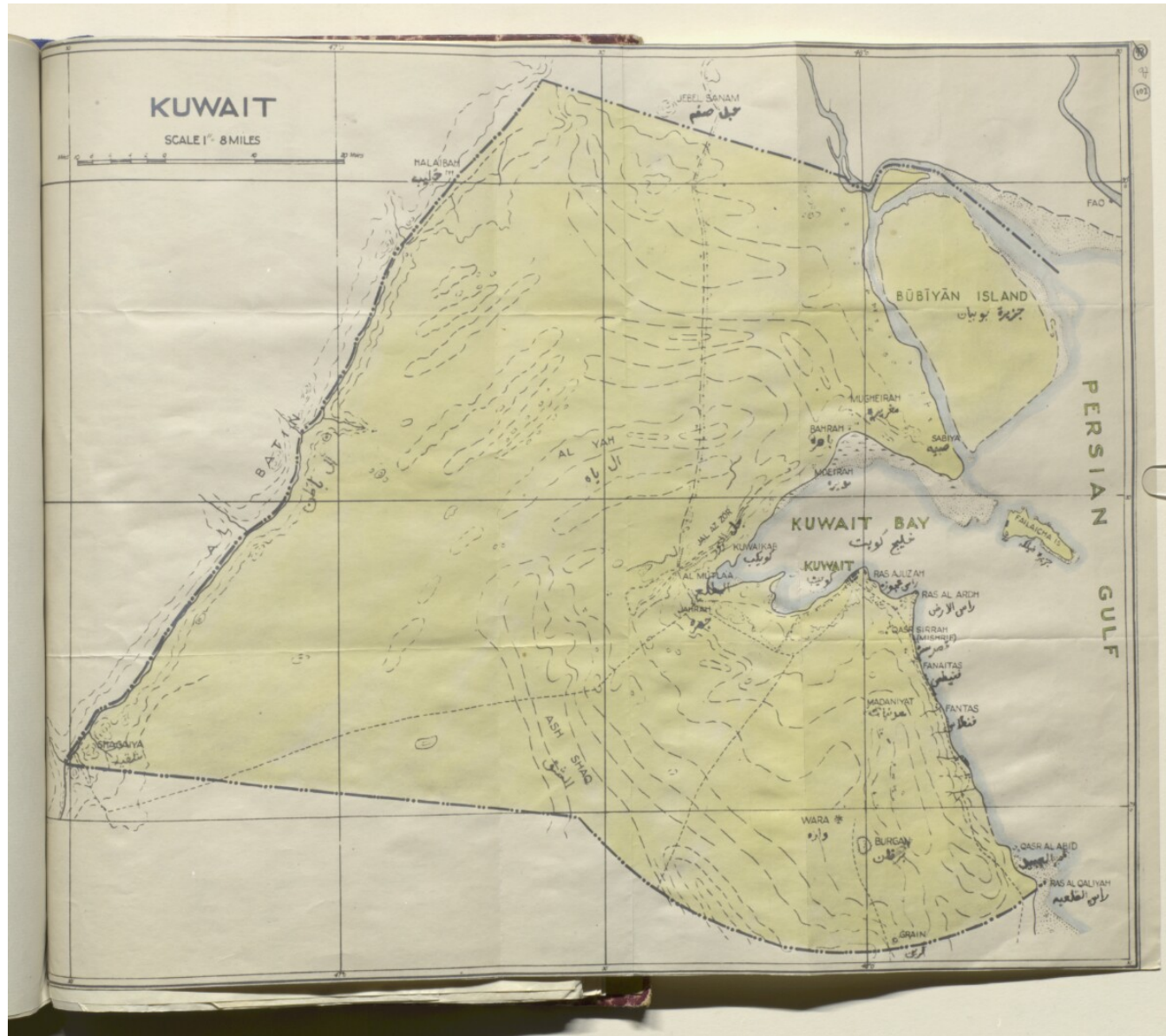


"ملف ٥ / ١ V شركة نفط الكويت" [١٠١ ظ] (٣٩٢/٢٠٧)



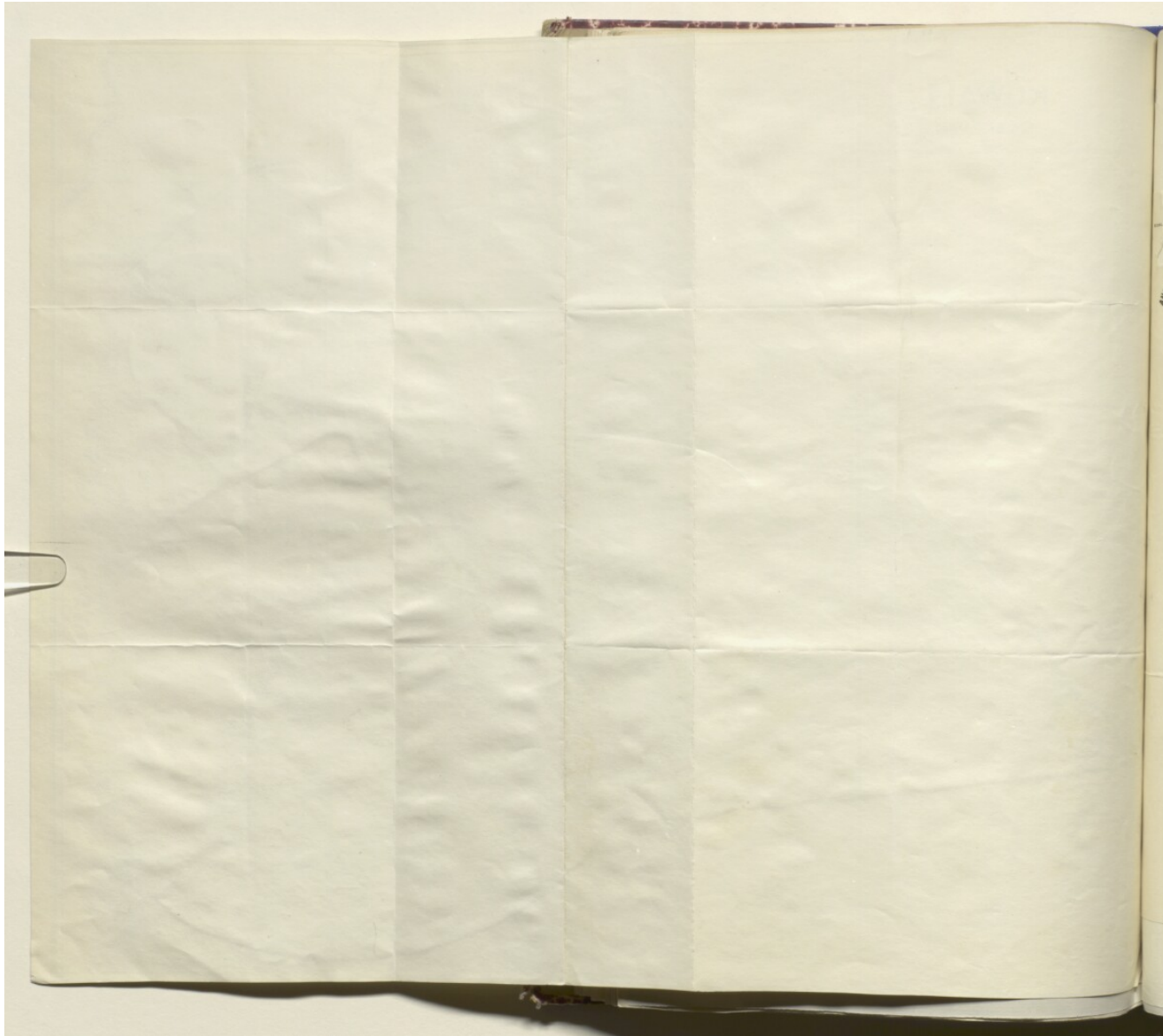


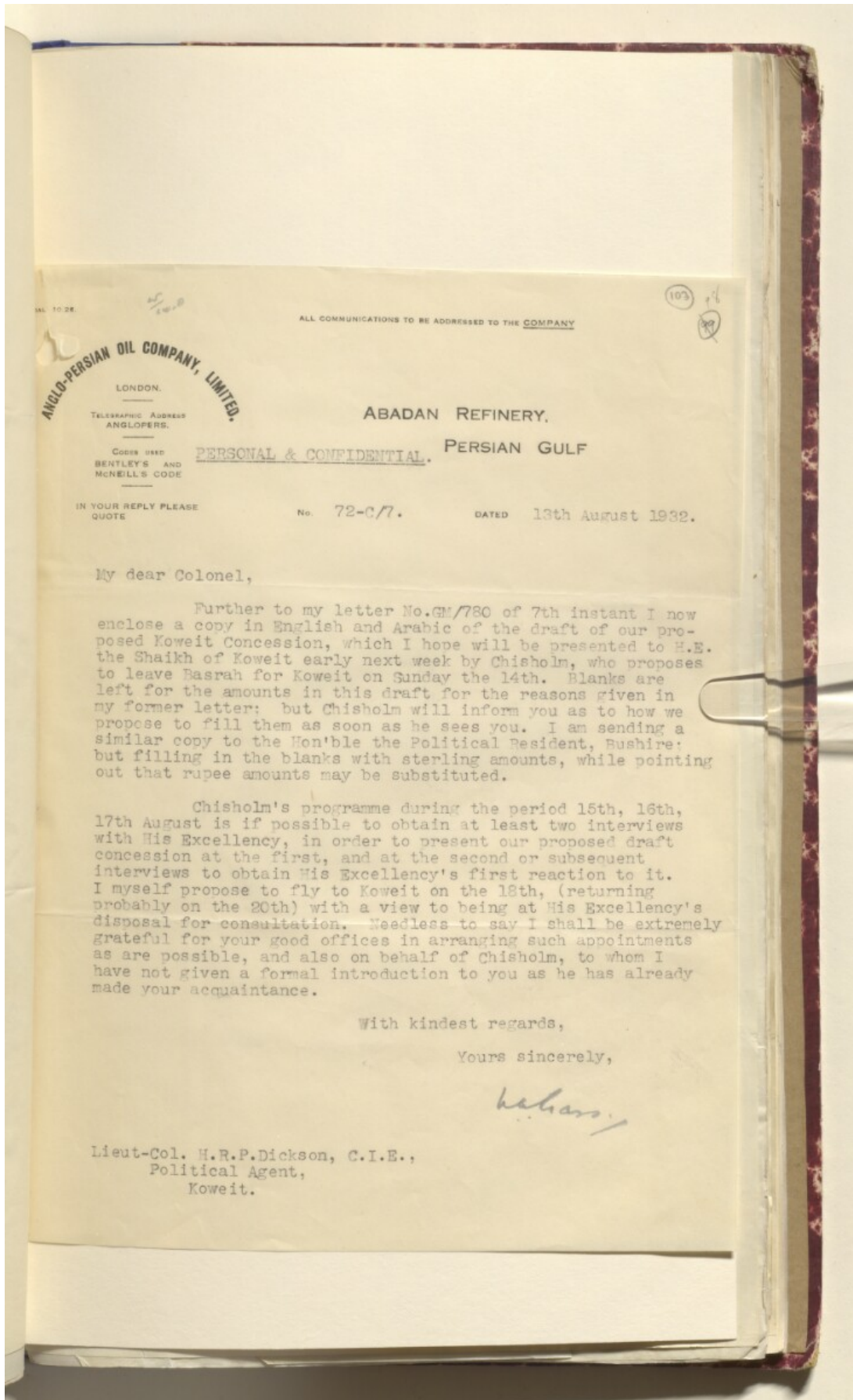
"الكويت" [٢٠١٠] (٢/١)

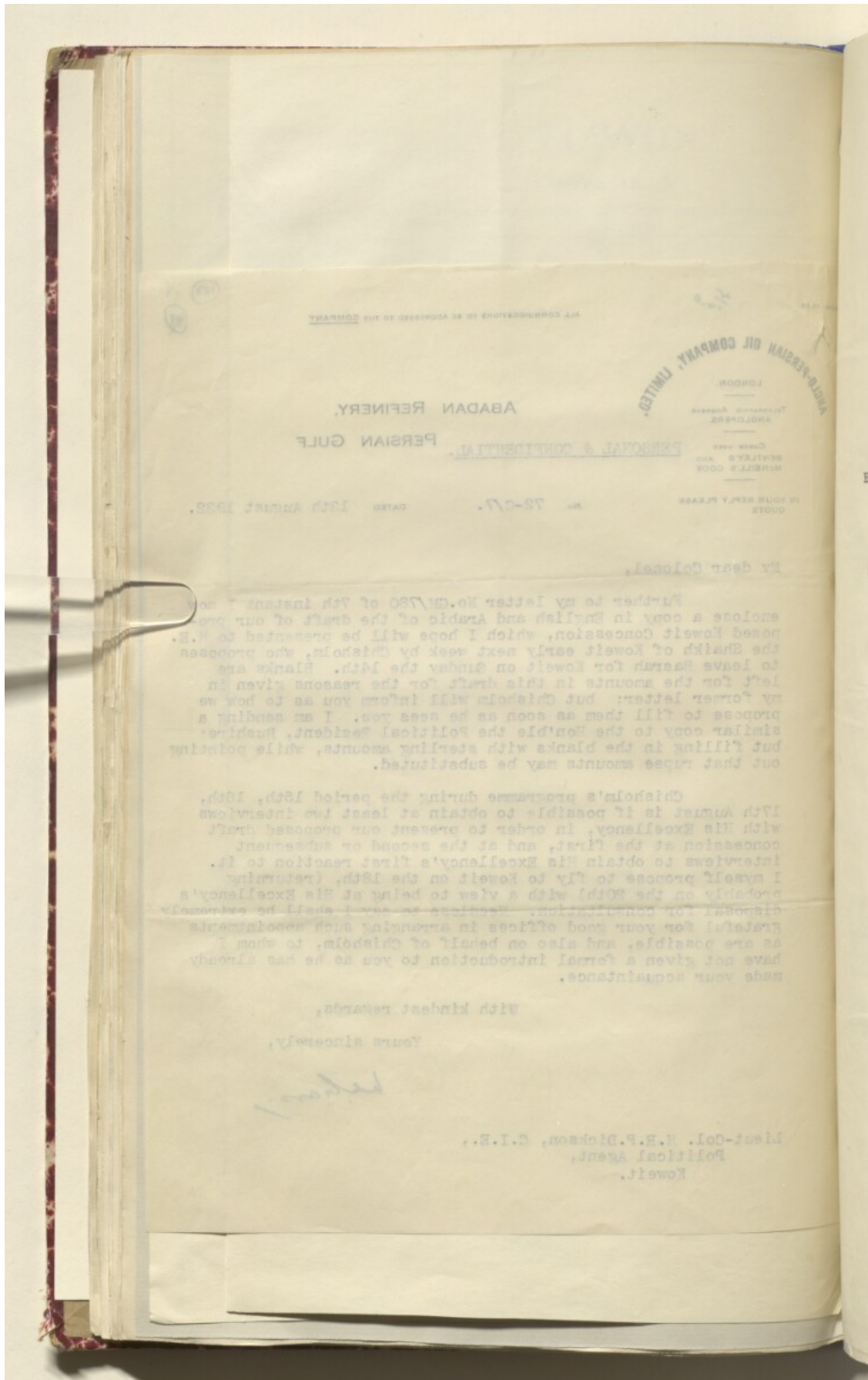


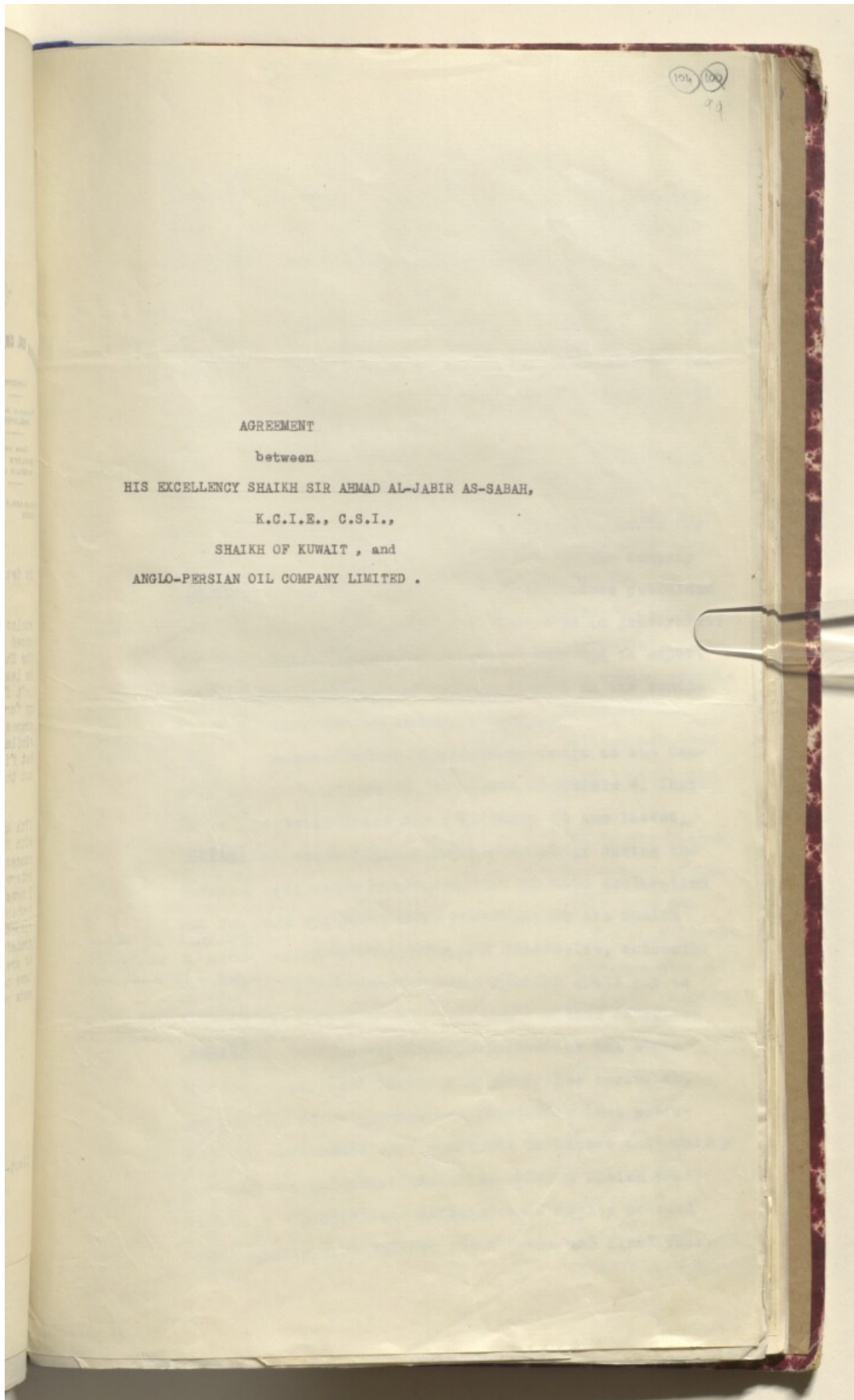


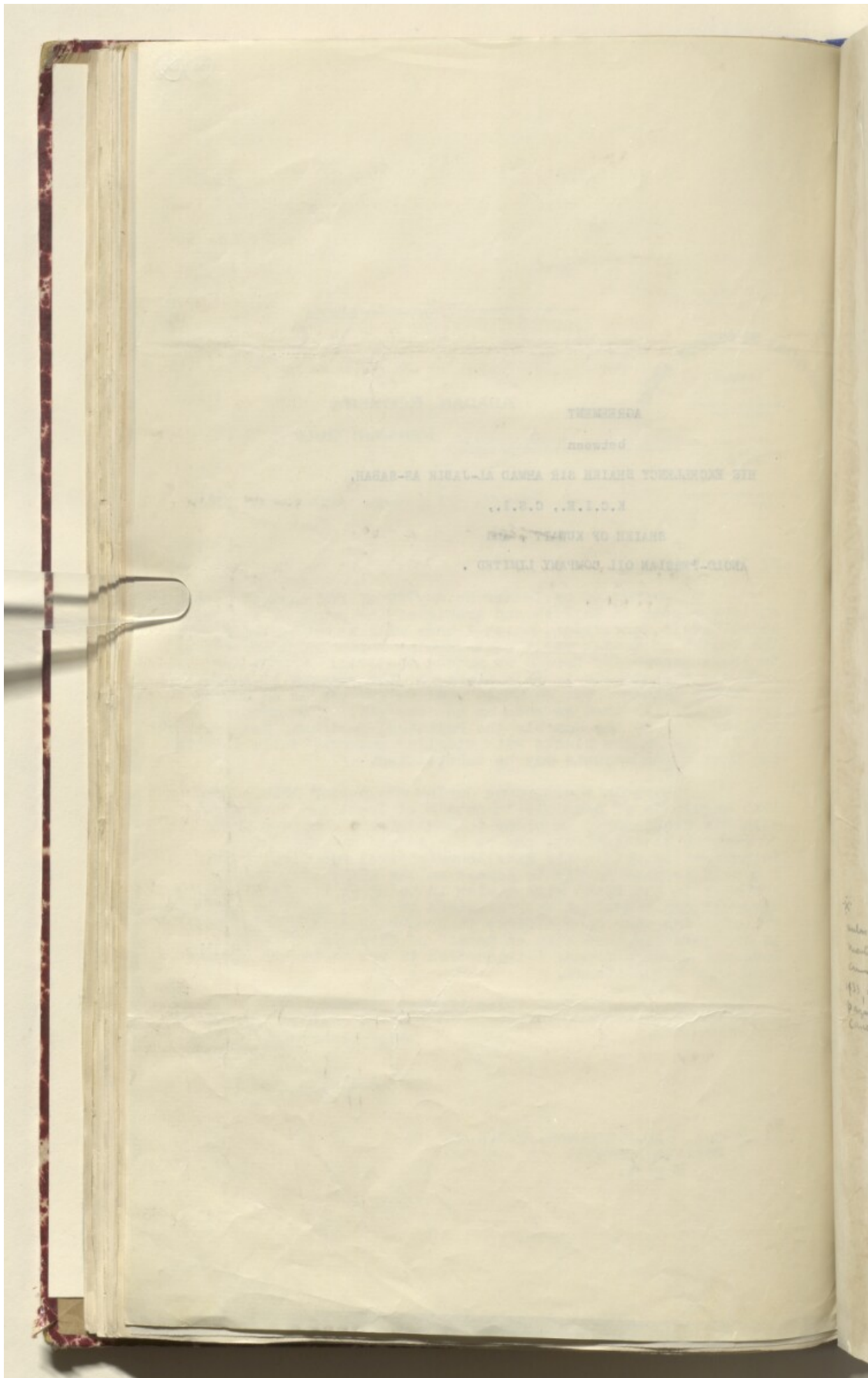
"الكويت" [١٠٢ ظ] (٢/٢)

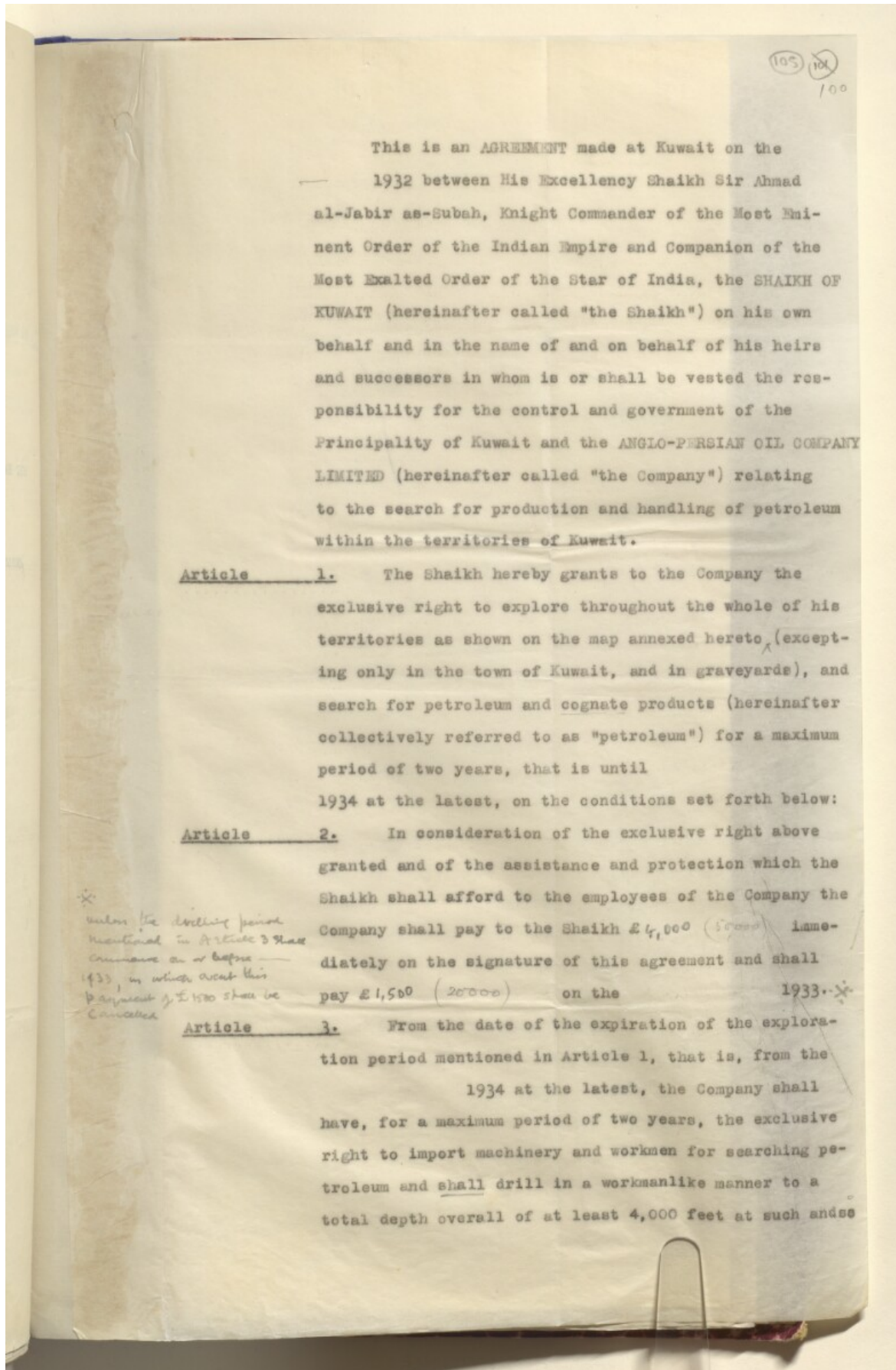


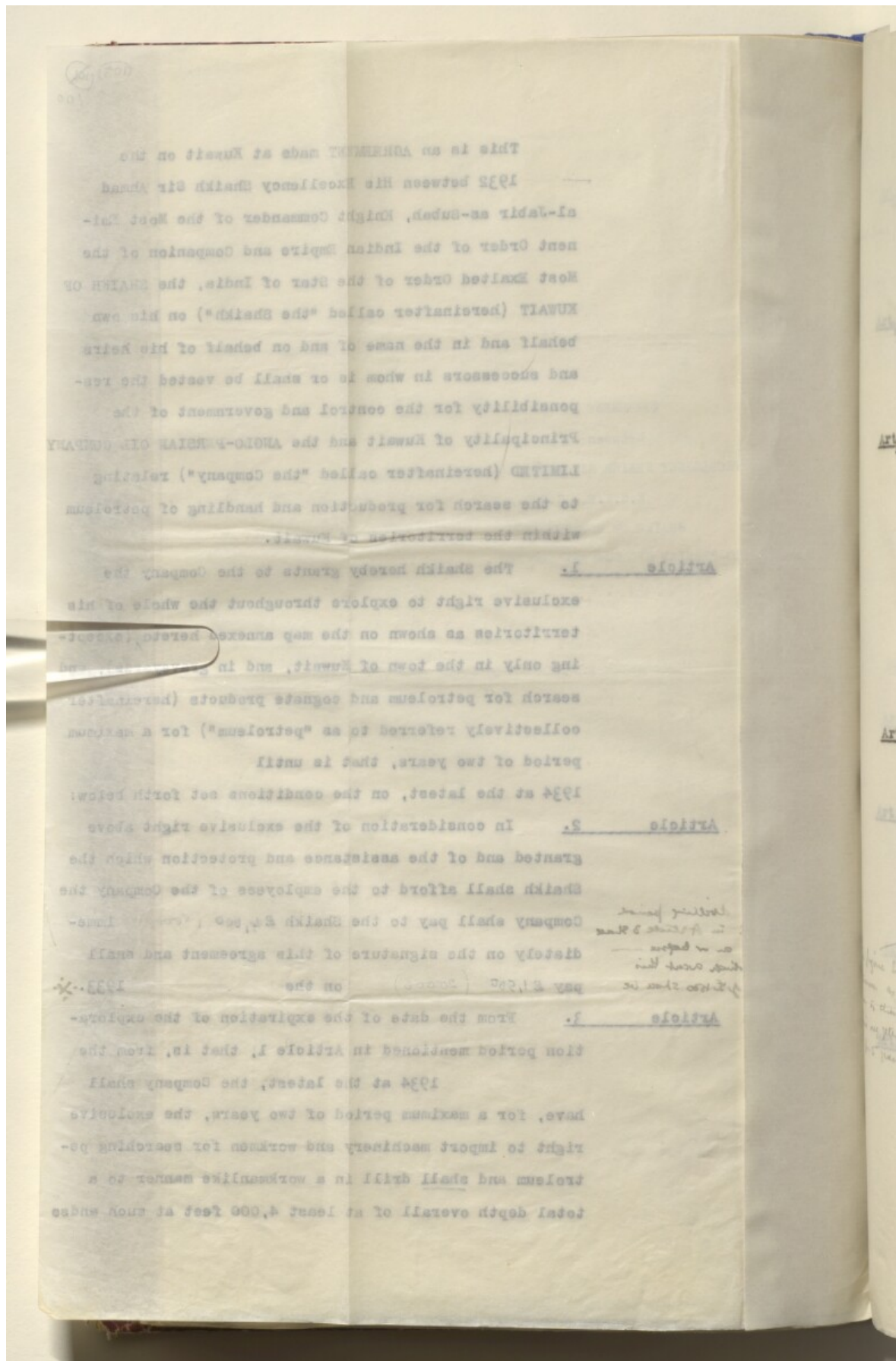












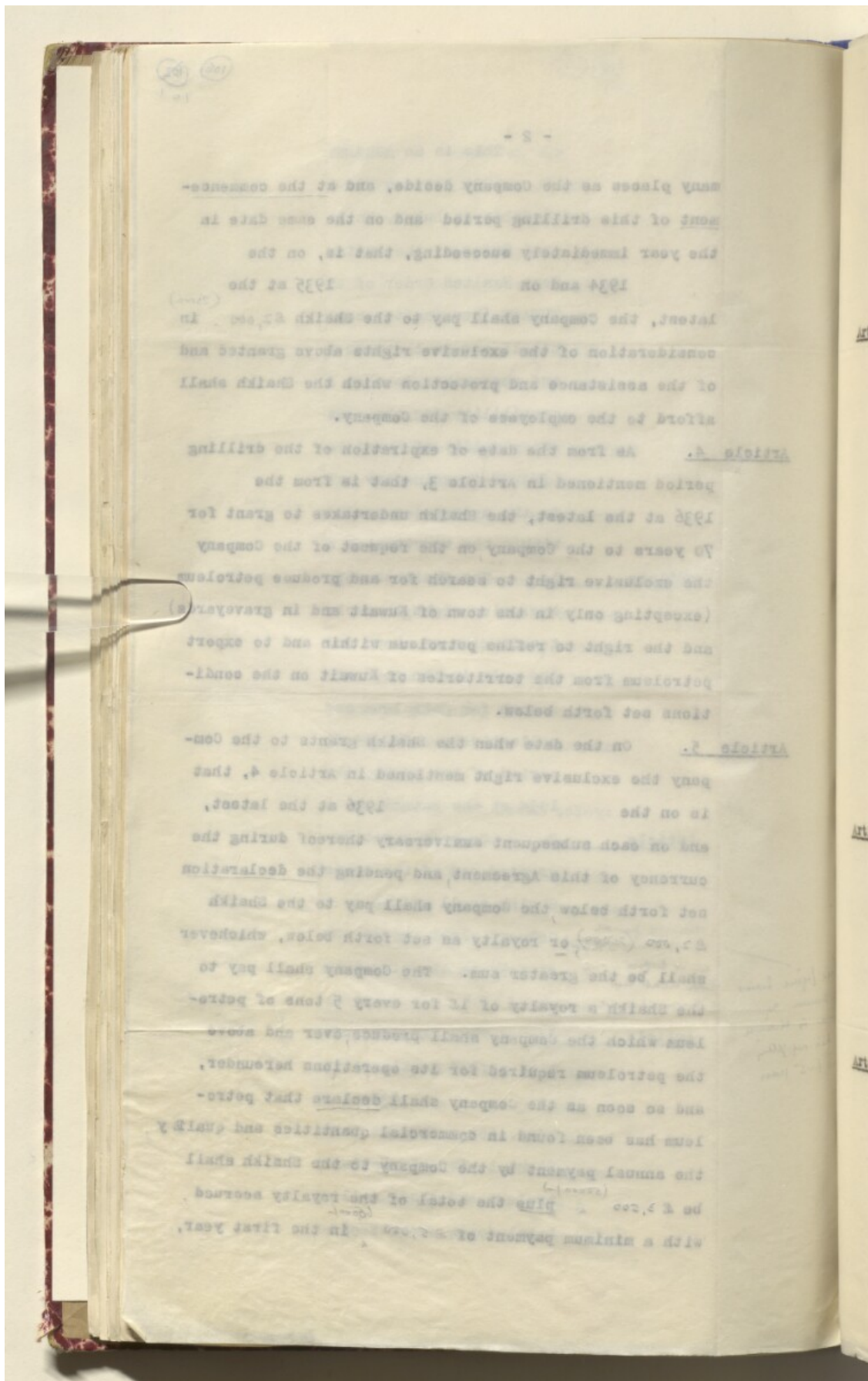


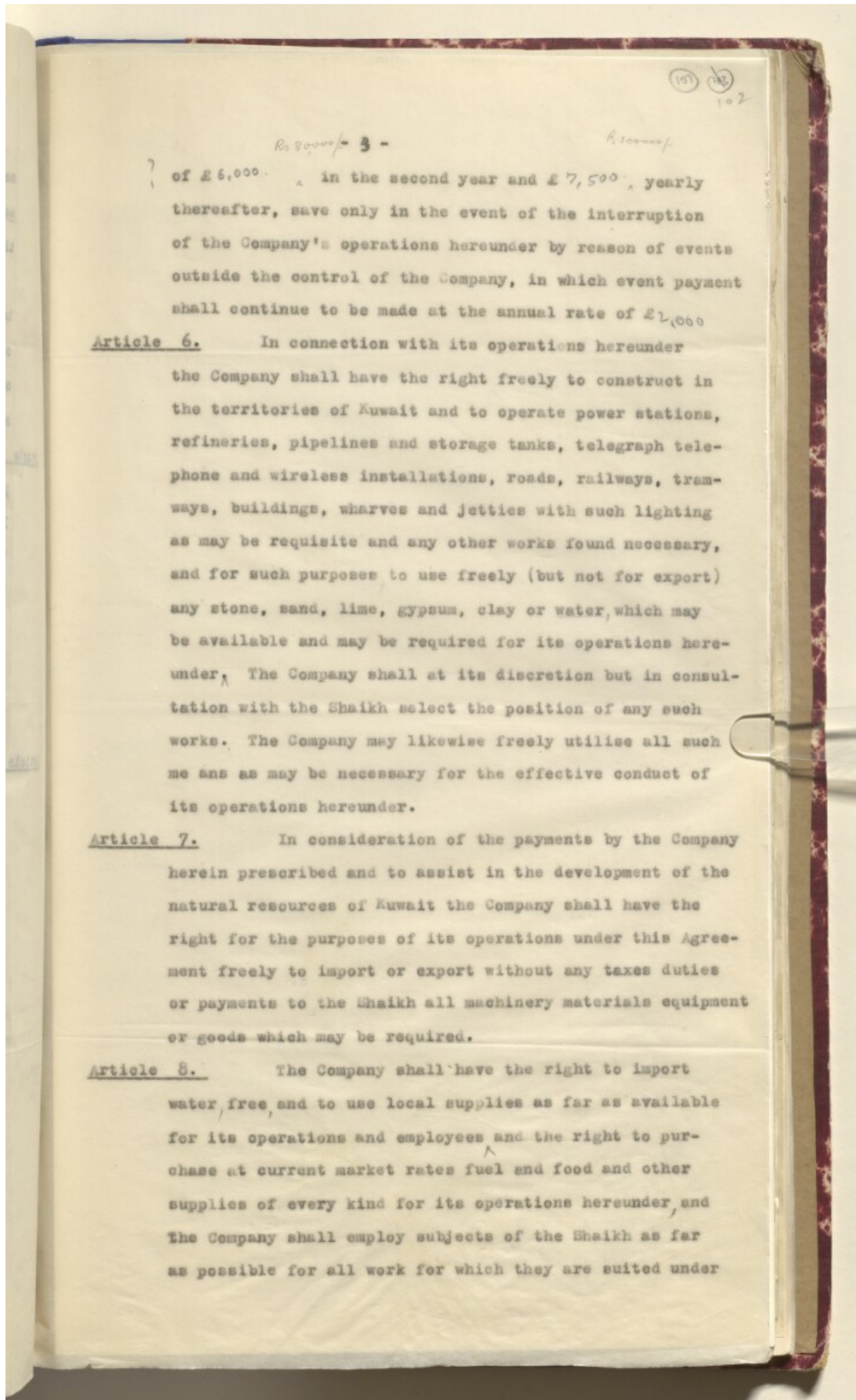
- 2 -

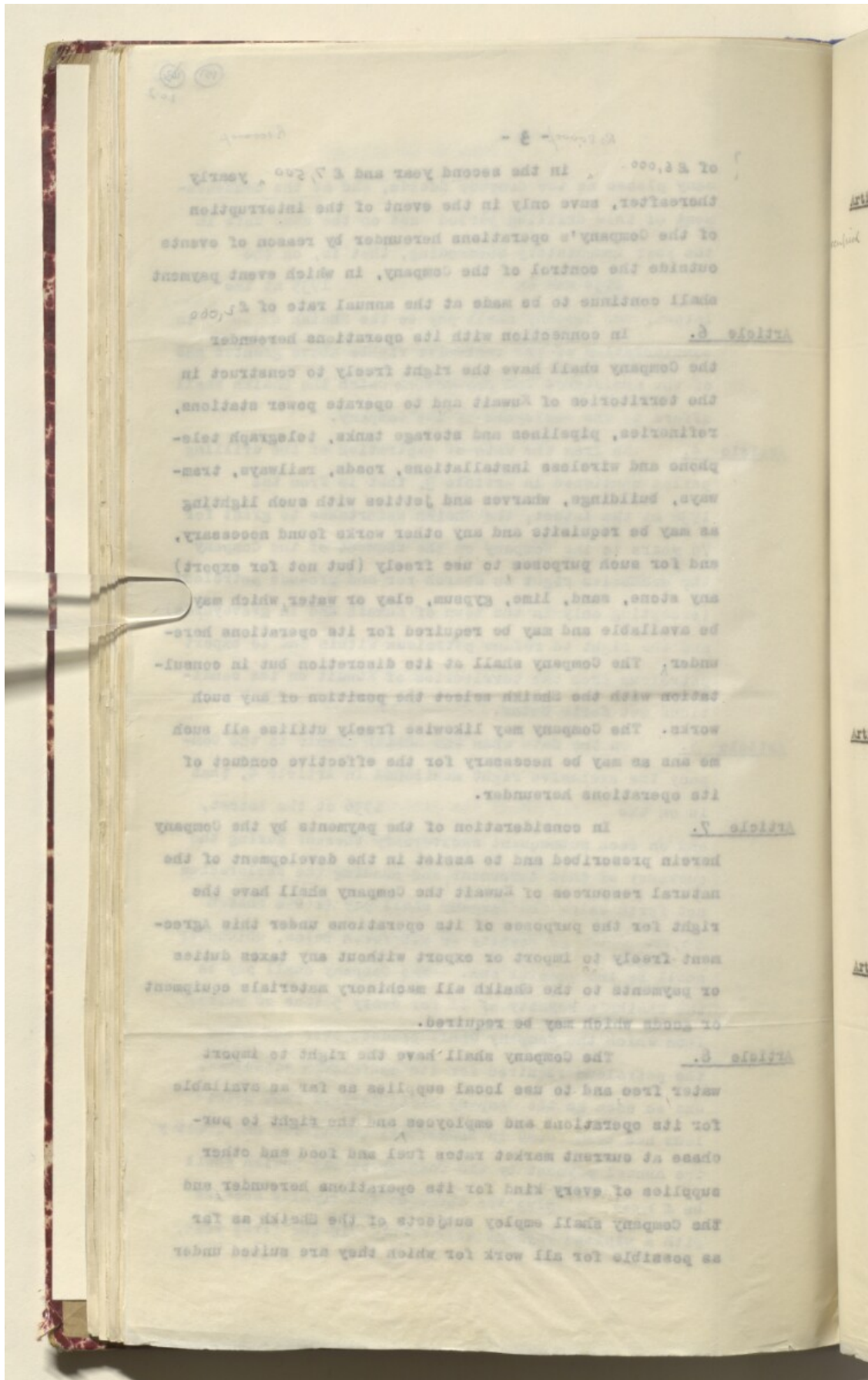
many places as the Company decide, and at the commencement of this drilling period and on the same date in the year immediately succeeding, that is, on the 1934 and on 1935 at the latest, the Company shall pay to the Shaikh £2,000 ⁽²⁵⁰⁰⁰⁾ in consideration of the exclusive rights above granted and of the assistance and protection which the Shaikh shall afford to the employees of the Company.

Article 4. As from the date of expiration of the drilling period mentioned in Article 3, that is from the 1936 at the latest, the Shaikh undertakes to grant for 70 years to the Company, on the request of the Company the exclusive right to search for and produce petroleum (excepting only in the town of Kuwait and in graveyards) and the right to refine petroleum within and to export petroleum from the territories of Kuwait on the conditions set forth below.

Article 5. On the date when the Shaikh grants to the Company the exclusive right mentioned in Article 4, that is on the 1936 at the latest, and on each subsequent anniversary thereof during the currency of this Agreement, and pending the declaration set forth below, the Company shall pay to the Shaikh £2,000 ⁽²⁵⁰⁰⁰⁾, or royalty as set forth below, whichever shall be the greater sum. The Company shall pay to the Shaikh a royalty of 1s for every 5 tons of petroleum which the Company shall produce, over and above the petroleum required for its operations hereunder, and so soon as the Company shall declare that petroleum has been found in commercial quantities and quality, the annual payment by the Company to the Shaikh shall be £3,500 ^(50000/-) plus the total of the royalty accrued, with a minimum payment of £5,000 ^{60000/-} in the first year.









- 4 -

the supervision of the Company's skilled employees.

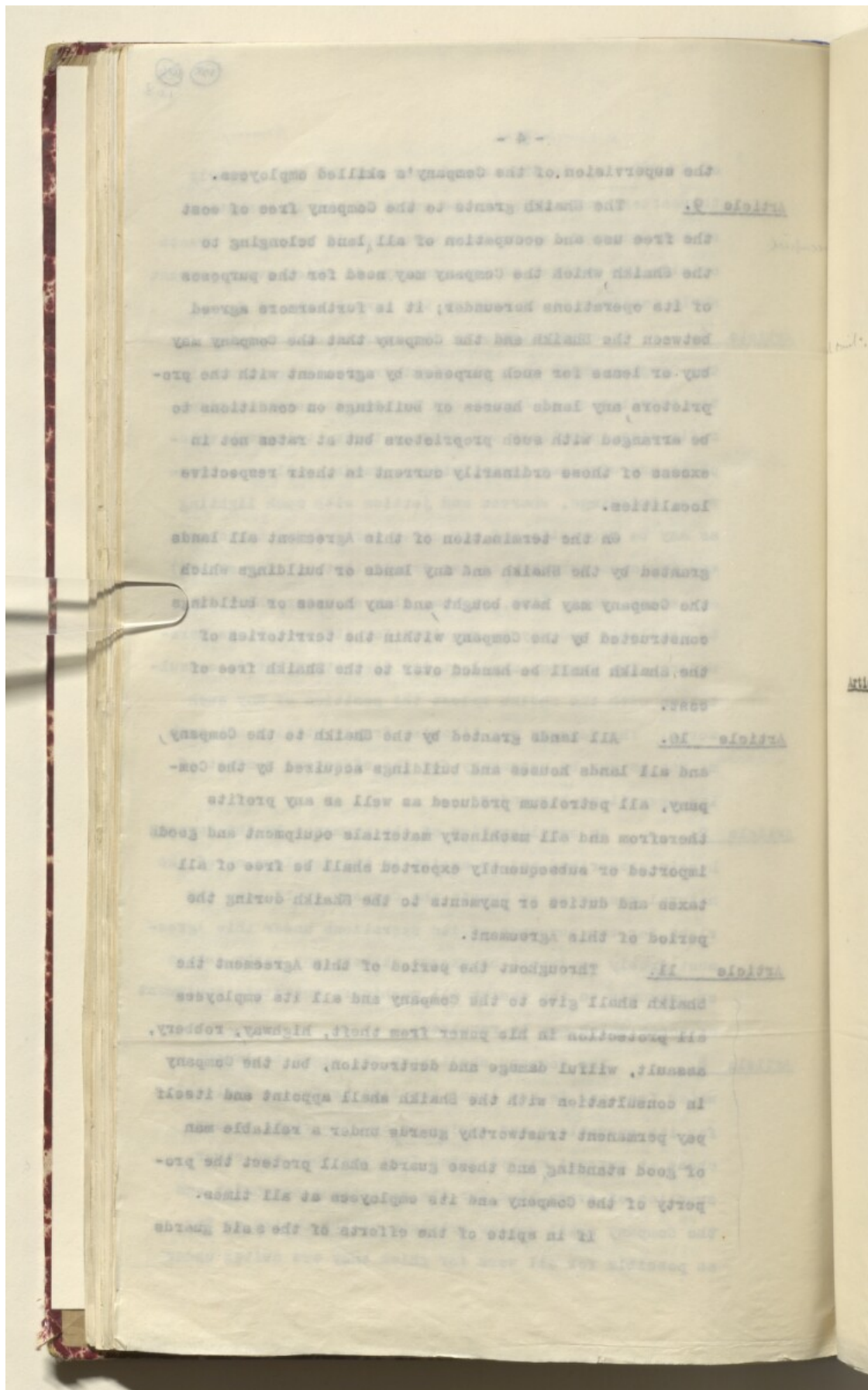
Article 9. The Shaikh grants to the Company free of cost the free use and occupation of all land belonging to the Shaikh which the Company may need for the purposes of its operations hereunder; it is furthermore agreed between the Shaikh and the Company that the Company may buy or lease for such purposes by agreement with the proprietors any lands houses or buildings on conditions to be arranged with such proprietors but at rates not in excess of those ordinarily current in their respective localities.

On the termination of this Agreement all lands granted by the Shaikh and any lands or buildings which the Company may have bought and any houses or buildings constructed by the Company within the territories of the Shaikh shall be handed over to the Shaikh free of cost.

Article 10. All lands granted by the Shaikh to the Company, and all lands houses and buildings acquired by the Company, all petroleum produced as well as any profits therefrom and all machinery materials equipment and goods imported or subsequently exported shall be free of all taxes and duties or payments to the Shaikh during the period of this Agreement.

Article 11. Throughout the period of this Agreement the Shaikh shall give to the Company and all its employees all protection in his power from theft, highway robbery, assault, wilful damage and destruction, but the Company in consultation with the Shaikh shall appoint and itself pay permanent trustworthy guards under a reliable man of good standing and these guards shall protect the property of the Company and its employees at all times.

If in spite of the efforts of the said guards



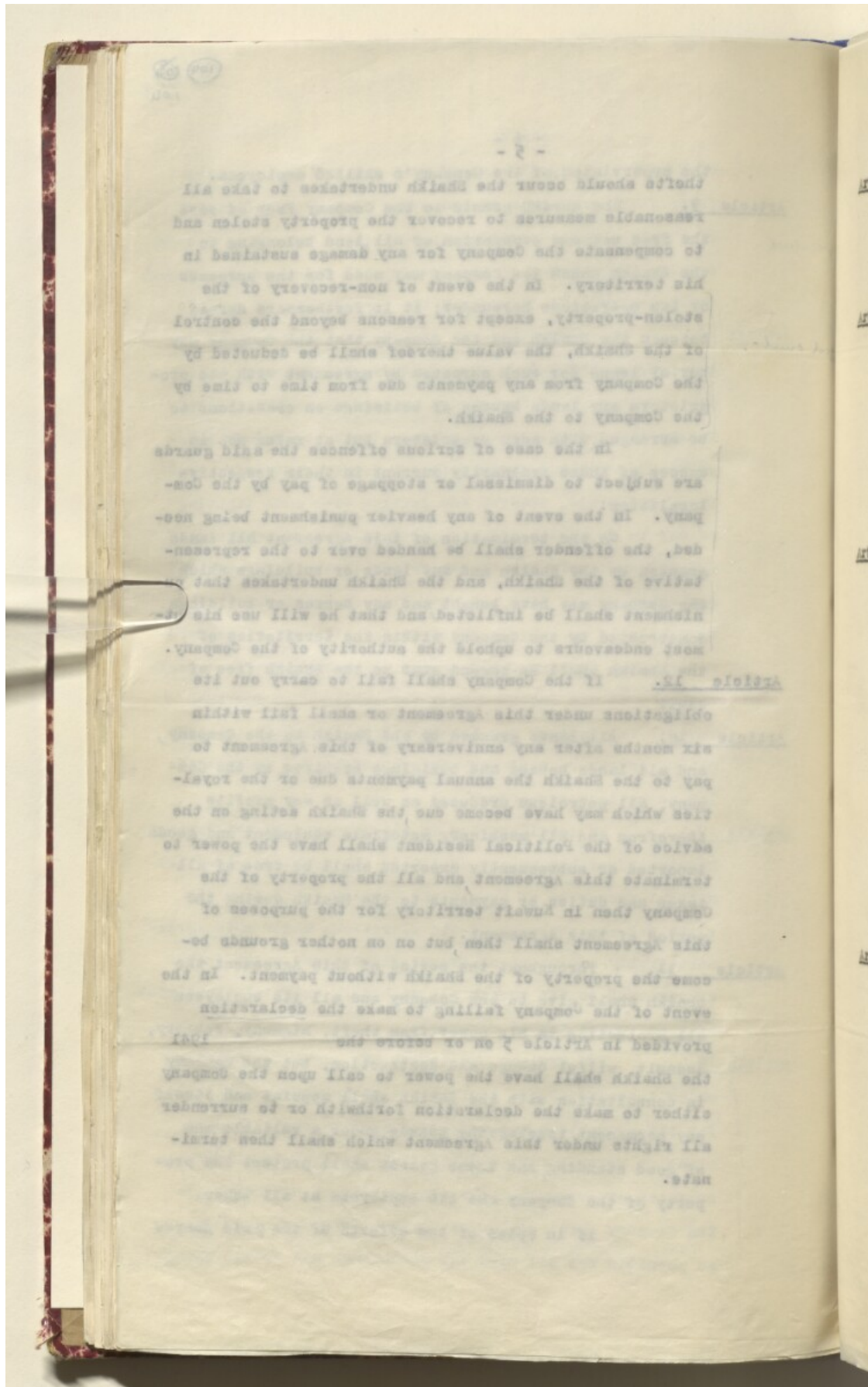


- 5 -

thefts should occur the Shaikh undertakes to take all reasonable measures to recover the property stolen and to compensate the Company for any damage sustained in his territory. In the event of non-recovery of the stolen-property, except for reasons beyond the control of the Shaikh, the value thereof shall be deducted by the Company from any payments due from time to time by the Company to the Shaikh.

In the case of serious offences the said guards are subject to dismissal or stoppage of pay by the Company. In the event of any heavier punishment being needed, the offender shall be handed over to the representative of the Shaikh, and the Shaikh undertakes that punishment shall be inflicted and that he will use his utmost endeavours to uphold the authority of the Company.

Article 12. If the Company shall fail to carry out its obligations under this Agreement or shall fail within six months after any anniversary of this Agreement to pay to the Shaikh the annual payments due or the royalties which may have become due, the Shaikh acting on the advice of the Political Resident shall have the power to terminate this Agreement, and all the property of the Company then in Kuwait territory for the purposes of this Agreement shall then, but on no other grounds become the property of the Shaikh without payment. In the event of the Company failing to make the declaration provided in Article 5 on or before the 1941 the Shaikh shall have the power to call upon the Company either to make the declaration forthwith or to surrender all rights under this Agreement which shall then terminate.





- 6 -

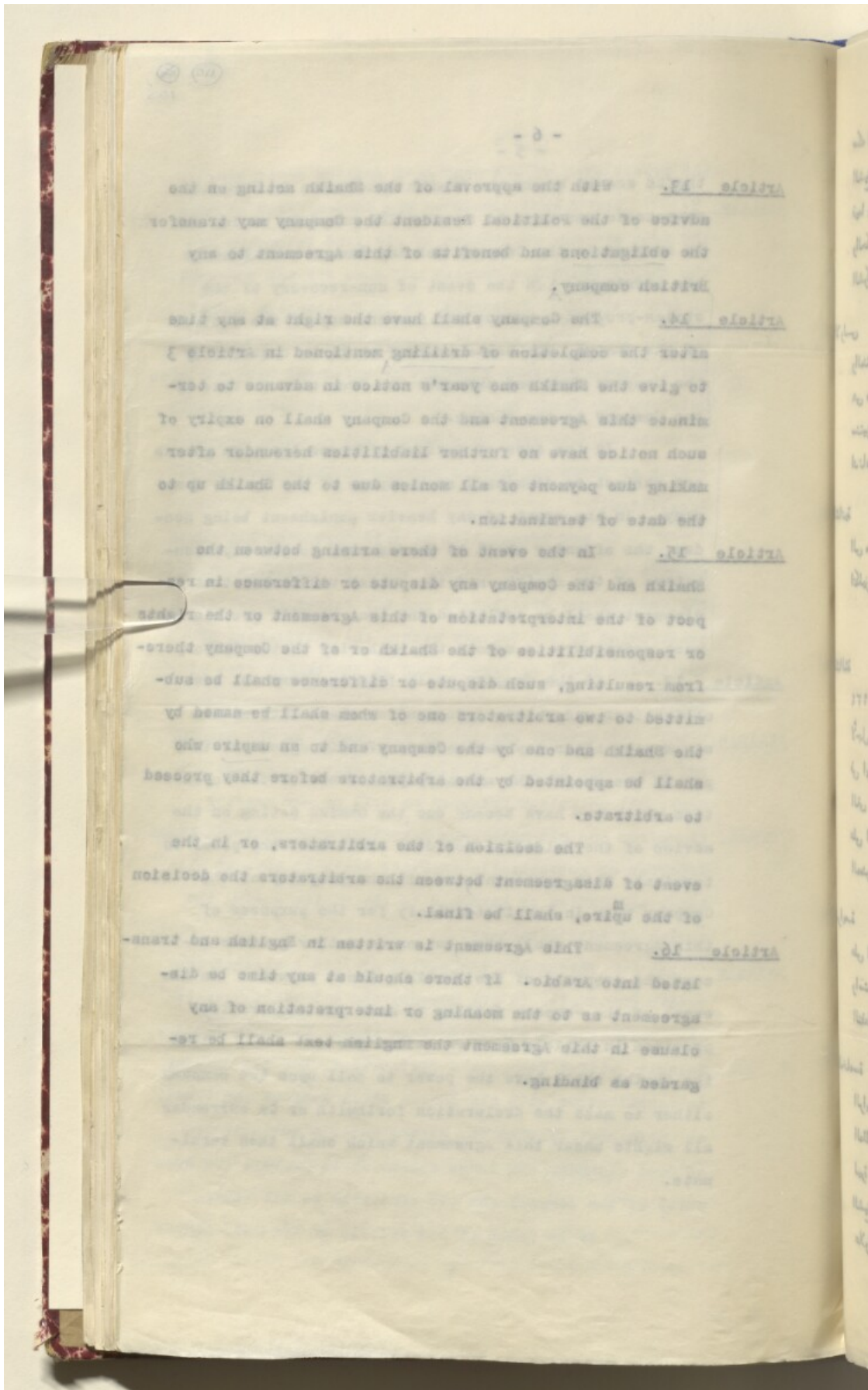
Article 13. With the approval of the Shaikh acting on the advice of the Political Resident the Company may transfer the obligations and benefits of this Agreement to any British company.

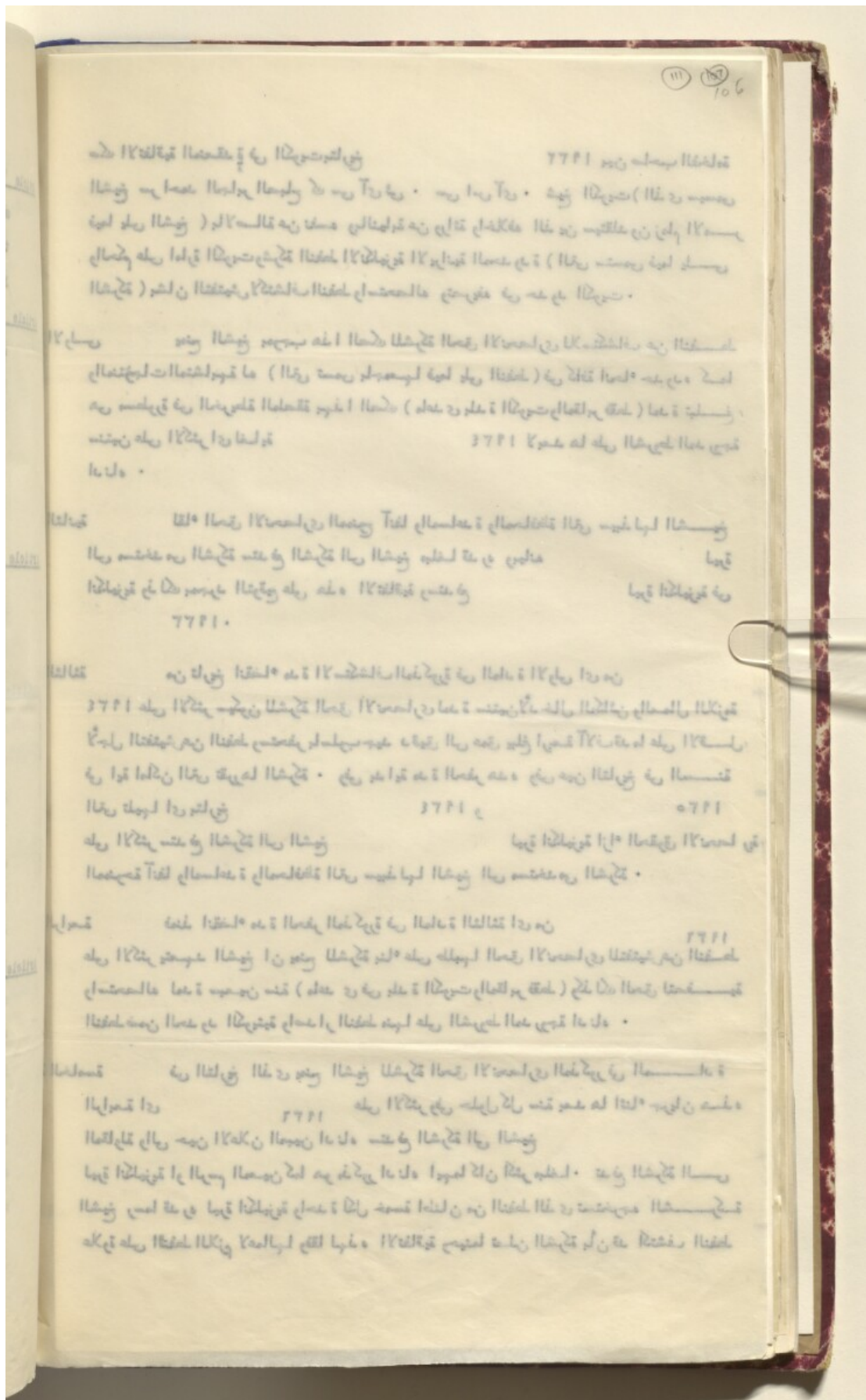
Article 14. The Company shall have the right at any time after the completion of drilling mentioned in Article 3 to give the Shaikh one year's notice in advance to terminate this Agreement and the Company shall on expiry of such notice have no further liabilities hereunder after making due payment of all monies due to the Shaikh up to the date of termination.

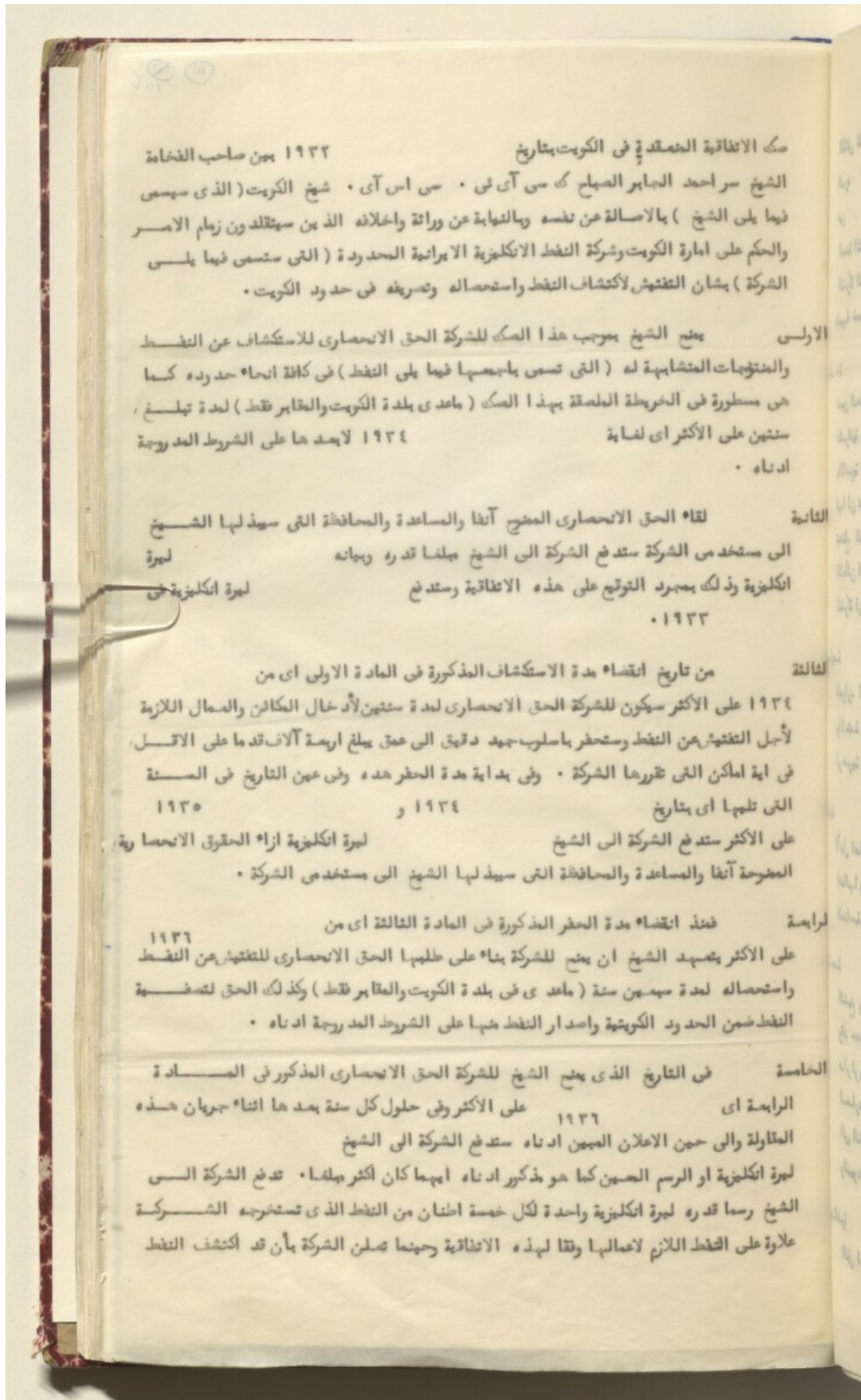
Article 15. In the event of there arising between the Shaikh and the Company any dispute or difference in respect of the interpretation of this Agreement or the rights or responsibilities of the Shaikh or of the Company therefrom resulting, such dispute or difference shall be submitted to two arbitrators one of whom shall be named by the Shaikh and one by the Company and to an umpire who shall be appointed by the arbitrators before they proceed to arbitrate.

The decision of the arbitrators, or in the event of disagreement between the arbitrators the decision of the umpire, shall be final.

Article 16. This Agreement is written in English and translated into Arabic. If there should at any time be disagreement as to the meaning or interpretation of any clause in this Agreement the English text shall be regarded as binding.







سك الاتفاقية المصنفة في الكويت بتاريخ
الشيخ سراحمد الجابر الصباح ك سي آي ئي . سي اس آي . شيخ الكويت (الذي سمي
فيما يلي الشيخ) بالاصالة عن نفسه وبالنسبة عن وراثته واخلافه الذين سيتقلدون زمام الامر
والحكم على امانة الكويت وشركة النفط الانكليزية الايرانية المحدودة (التي ستسمى فيما يلي
الشركة) بشأن التفتيش لاكتشاف النفط واستحصاله وتصفه في حدود الكويت .

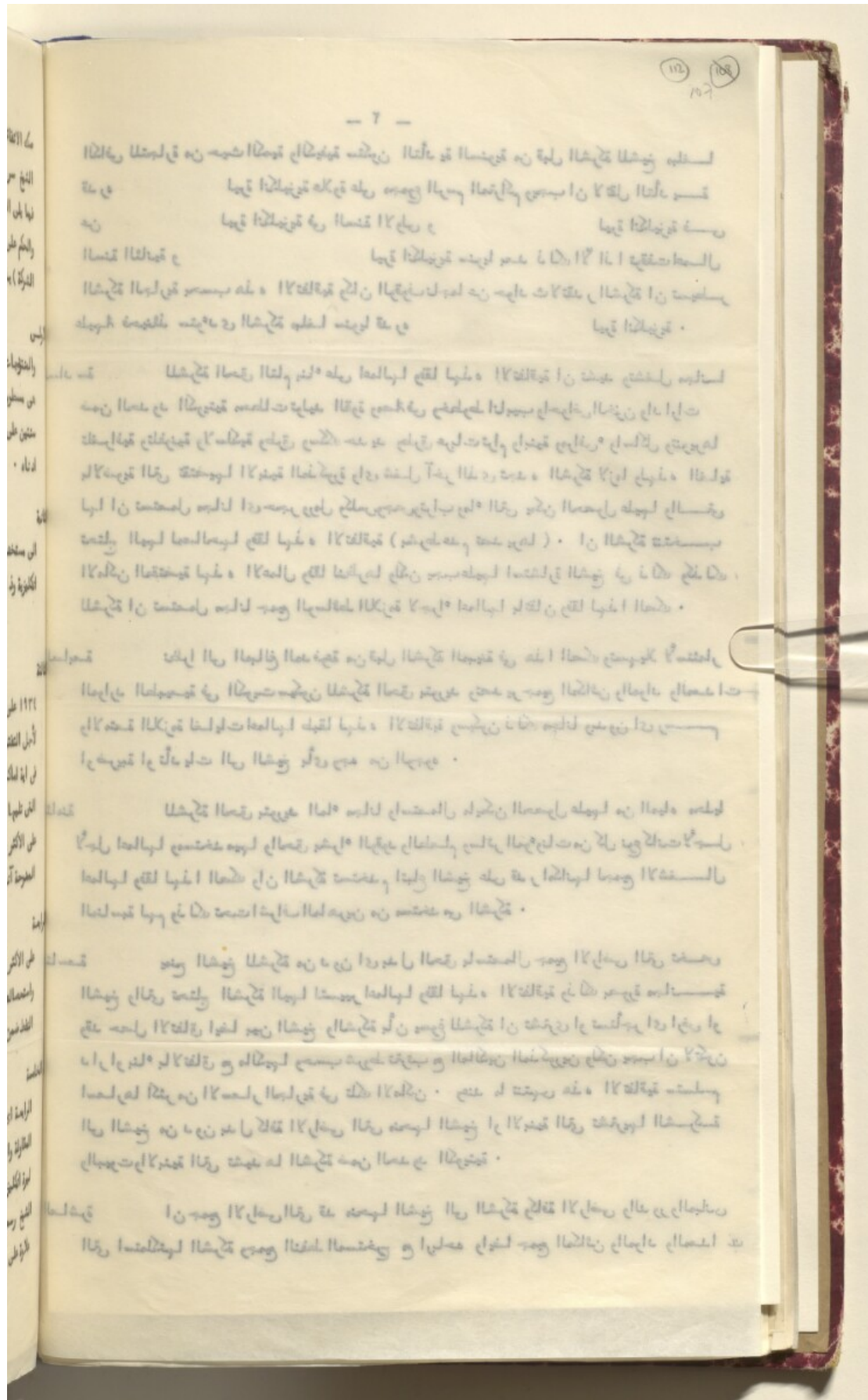
الاولى يمنح الشيخ بموجب هذا المك للشركة الحق الانحصاري للاستكشاف عن النفط
والمنقوشات المتشابهة له (التي تسمى مجتمعا فيما يلي النفط) في كافة انحاء حدوده كما
هي مسطرة في الخريطة الملتصقة بهذا المك (ماعدا في بلدة الكويت والمقابر فقط) لمدة تبلغ
سنتين على الاكثر اي لفاية ١٩٣٤ لا يحد لها على الشروط المدرجة
ادناه .

الثانية لقاء الحق الانحصاري الممنوح آتفا والمساعدة والمحافظة التي سيحصلها الشيخ
الى مستخدم الشركة ستدفع الشركة الى الشيخ مبلغا قدره وبمائه
انكليزية وذلك بمجرد التوقيع على هذه الاتفاقية وستدفع
١٩٣٣ .

الثالثة من تاريخ انقضاء مدة الاستكشاف المذكورة في المادة الاولى اي من
١٩٣٤ على الاكثر سيكون للشركة الحق الانحصاري لمدة سنتين لأدخال المكائن والمحال اللازمة
لأجل التفتيش عن النفط واستحفر بأسلوب جهد دقيق الى عمق يبلغ اربعة آلاف قدما على الاقل
في اية اماكن التي تقررها الشركة . وفي بداية مدة الحفر هذه وفي عين التاريخ في السنة
التي تلها اي بتاريخ ١٩٣٤ و ١٩٣٥
على الاكثر ستدفع الشركة الى الشيخ
المضروحة آتفا والمساعدة والمحافظة التي سيحصلها الشيخ الى مستخدم الشركة .

الرابعة فبمضي انقضاء مدة الحفر المذكورة في المادة الثالثة اي من
على الاكثر يصعد الشيخ ان يمنح للشركة بناء على طلبها الحق الانحصاري للتفتيش عن النفط
واستحصاله لمدة سبعة سنين (ماعدا في بلدة الكويت والمقابر فقط) وكذلك الحق لتصفية
النفط ضمن الحدود الكويتية واصدار النفط منها على الشروط المدرجة ادناه .

الخامسة في التاريخ الذي يمنح الشيخ للشركة الحق الانحصاري المذكور في المادة
الرابعة اي ١٩٣٦ على الاكثر وفي حلول كل سنة بمدها اثنا عشر شهرا هذه
المقابلة والى حين الاعلان المبين ادناه ستدفع الشركة الى الشيخ
لمرة انكليزية او الرسم المسمي كما هو مذكور ادناه ايها كان أكثر مبلغا . تدفع الشركة الى
الشيخ رسما قدره لمرة انكليزية واحدة لكل خمسة اشنان من النفط الذي تستخرجه الشركة
علاوة على النفط اللازم لاجلها وفقا لهذه الاتفاقية وحينما تعلن الشركة بأن قد اكتشف النفط





- ٢ -

الكافي للتجارة من حيث الكمية والكيفية ستكون التأديمة السنوية من قبل الشركة للشخص مبلغاً قدره
لمرة انكليزية علوة على مجموع الرسوم المتراكم ويجب ان لا تقل التأديمة
عن
لمرة انكليزية في السنة الاولى و
لمرة انكليزية في السنة الثانية و
الشركة الجارية بحسب هذه الاتفاقية وكان الوقوف ناجماً عن حوادث لا تقدر الشركة ان تسيطر
عليها فحينئذ ستؤدي الشركة مبلغاً سنوياً قدره
لمرة انكليزية .

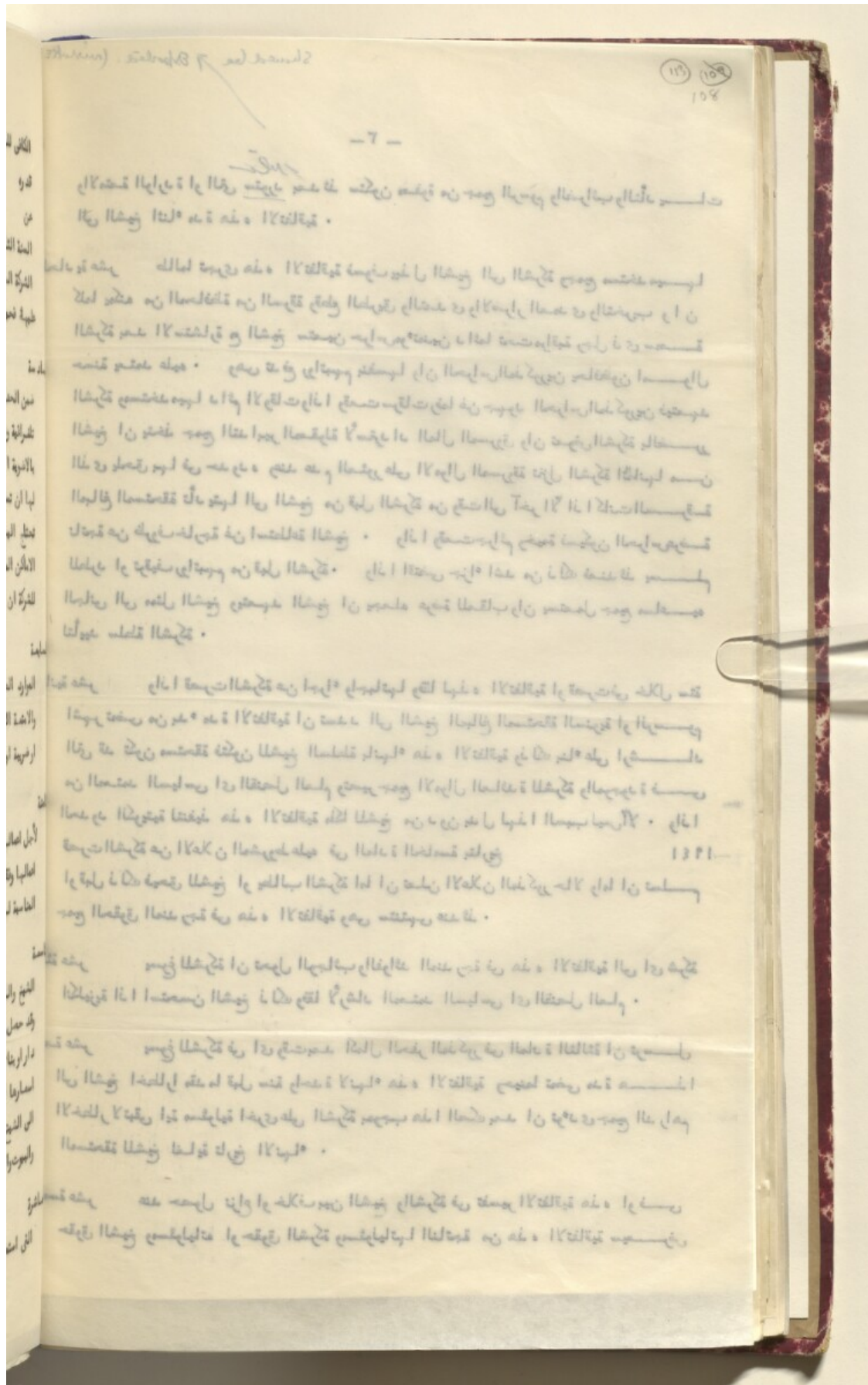
للمشركة الحق التام بناء على اعمالها وفقاً لهذه الاتفاقية ان تشيد وتشغل مبانياً
ضمن الحدود الكريمة محطات توليد القوة ومساكن وخطوط انابيب واحواض الخزن وادارات
تفسيحية وتلفونية ولاسلكية وطرق وسكك حديد وطرق عربات ترام وايضاً ومرافق واساكن وتوزيعها
بالاشوية التي تقتضيها الابنية المذكورة واي شغل آخر الذي تجده الشركة لازماً وهذه الفاية
لها ان تستعمل مبانياً اي حجر ورمل وكل من وجس وقربان وماه التي يمكن الحصول عليها والتي
تحتلها لمعالجتها وفقاً لهذه الاتفاقية (بشرط عدم تصديرها) . ان الشركة تتخيب
الاماكن المقتضية لهذه الاعمال وفقاً لنظرها ولكن يجب عليها استشارة الشيخ في ذلك وكذلك
للمشركة ان تستعمل مبانياً جميع الوسائط اللازمة لاجراء اعمالها باقتان وفقاً لهذا الصك .

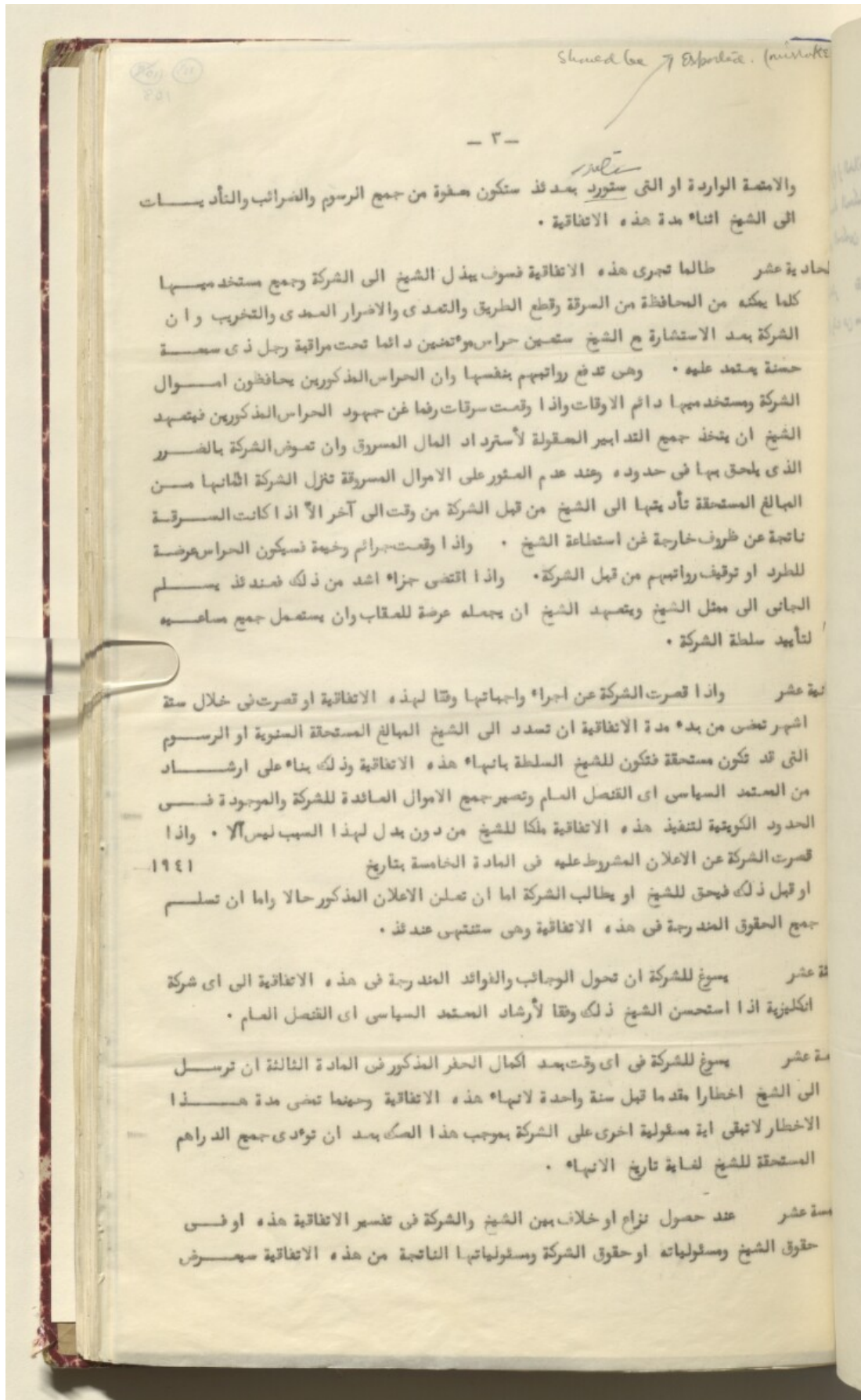
نظراً الى المبالغ المدفوعة من قبل الشركة المبنية في هذا الصك وتسهيلاً لاستثمار
الموارد الطبيعية في الكويت سيكون للشركة الحق بتوريد وتصدير جميع المكائن والمواد والمعدات
والامثلة اللازمة لقيامات اعمالها طبقاً لهذه الاتفاقية وسيكون ذلك مجاناً وبدون اي رسوم
اوضعية او تأديمات الى الشيخ بأي وجه من الوجوه .

للمشركة الحق بتوريد الماء مجاناً واستعمال ما يمكن الحصول عليها من الماء محلها
لأجل اعمالها ومستخدميها والحق بشراء الوقود والطعام وسائر المؤنات من كل نوع كانت لأجل
اعمالها وفقاً لهذا الصك وان الشركة تستخدم اتباع الشيخ على قدر امكانها لجميع الاشغال
المناسبة لهم وذلك تحت اشراف الماهرين من مستخدمي الشركة .

يمنح الشيخ للشركة من دون اي بدل الحق باستعمال جميع الاراضي التي تخص
الشيخ والتي تحتلها الشركة اليها لتسيير اعمالها وفقاً لهذه الاتفاقية وذلك بصورة مجانية
وقد حصل الاتفاق ايضاً بين الشيخ والشركة بأن يسوغ للشركة ان تشتري او تستأجر اي ارض او
دار او بناء بالاتفاق مع مالكيها وحسب شروط تقترب مع المالكين المذكورين ولكن يجب ان لا تكون
اسماها اكثر من الاسعار الجارية في تلك الاماكن . وعند ما تنتهي هذه الاتفاقية ستسلم
الى الشيخ من دون بدل كافة الاراضي التي منحها الشيخ او الابنية التي تشييدها الشركة
والهوت والابنية التي تشيدها الشركة ضمن الحدود الكريمة .

ان جميع الاراضي التي قد منحها الشيخ الى الشركة وكافة الاراضي والدور والمباني
التي استملكها الشركة وجميع النفط المستخرج مع ارباحه وايضاً جميع المكائن والمواد والمعدات





Should be 7 Expenditure. (mistake)

- ٣ -

والامثلة الواردة او التي ستورد بعد ذلك ستكون بصيغة من جميع الرسوم والضرائب والتأديت
الى الشيخ اثنا مدة هذه الاتفاقية .

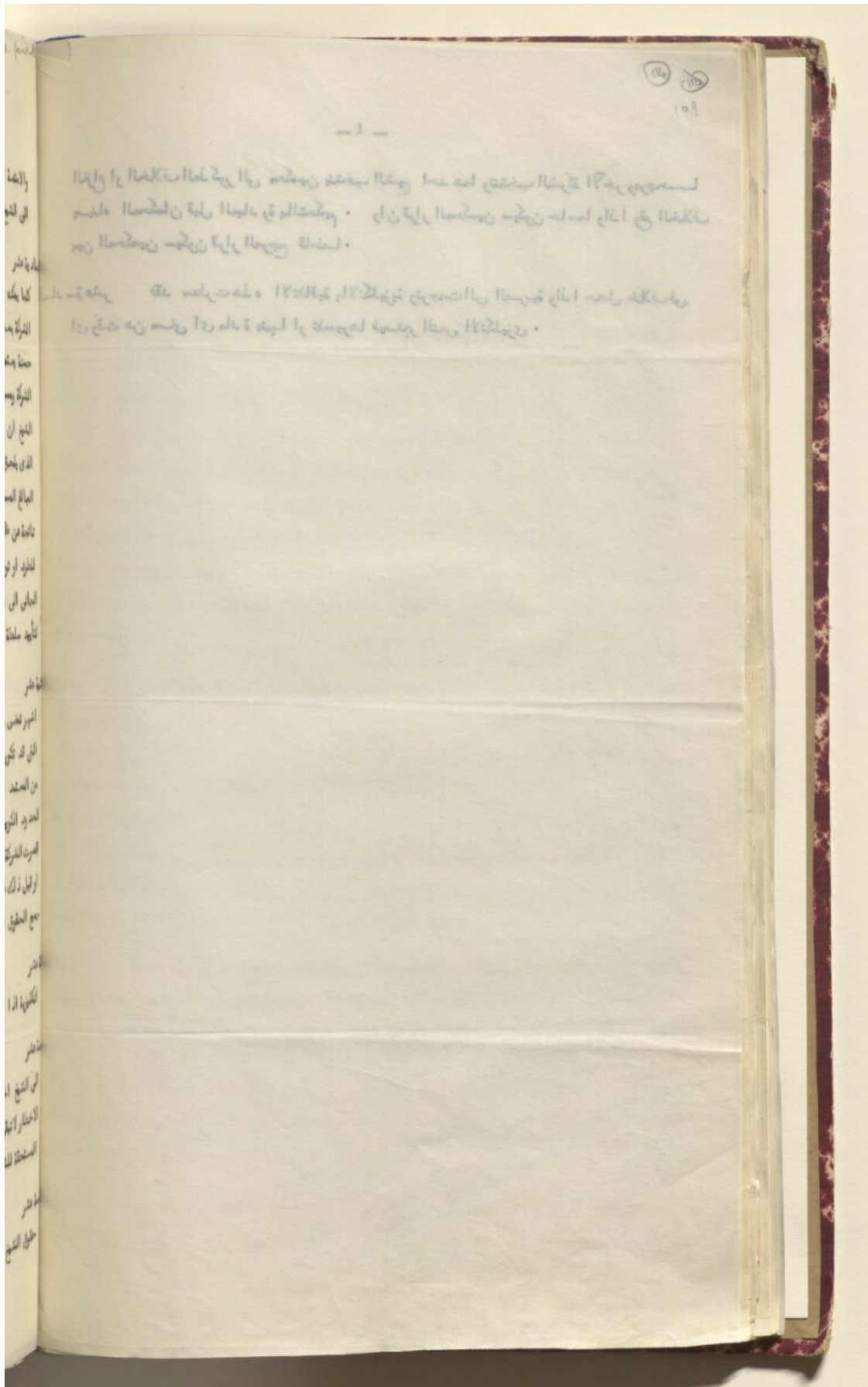
لحادثة عشر طالما تجرى هذه الاتفاقية فسوف يبذل الشيخ الى الشركة وجميع مستخدميهما
كلما يمكنه من المحافظة من السرقة وقطع الطريق والتعدي والاضرار المادي والتخريب وان
الشركة بعد الاستشارة مع الشيخ ستعين حراساً وتعين دائماً تحت مراقبة رجل ذي سمعة
حسنة يعتمد عليه . ومن تدفع رواتبهم بنفسها وان الحراس المذكورين يحافظون اموال
الشركة ومستخدميهما دائماً الاوقات واذا وقعت سرقات رفعا عن جهود الحراس المذكورين فيتمتع
الشيخ ان يتخذ جميع التدابير العقلية لاسترداد المال المسروق وان تموز الشركة بالضرر
الذي يلحق بها في حدوده وعند عدم العثور على الاموال المسروقة تغزل الشركة اثنائها من
المبالغ المستحقة تأديتها الى الشيخ من قبل الشركة من وقت الى آخر الا اذا كانت السرقة
ناجمة عن ظروف خارجة عن استطاعة الشيخ . واذا وقعت جرائم رخيصة فيكون الحراس عرضة
للطرد او توقيف رواتبهم من قبل الشركة . واذا اقتضى جزاء اشد من ذلك فستدفع مسلم
الجاني الى مثل الشيخ ويتمتع الشيخ ان يجمعه عرضة للمقاب وان يستعمل جميع ماله
لتأييد سلطة الشركة .

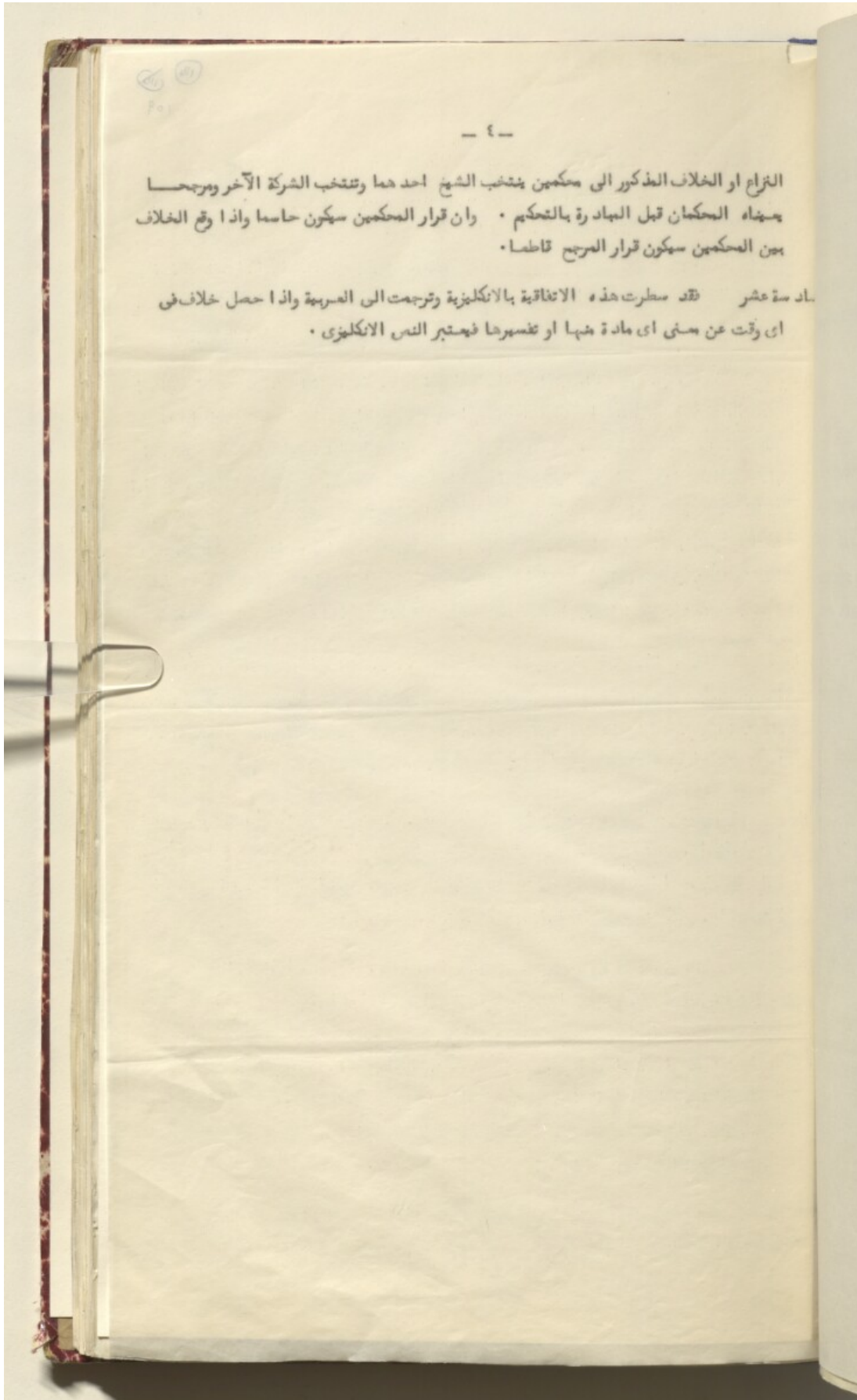
ثمة عشر واذا قصرت الشركة عن اجراء واجباتها وفقاً لهذه الاتفاقية او قصرت في خلال سنة
اشهر تعض من مدة الاتفاقية ان تسدد الى الشيخ المبالغ المستحقة المتأخرة او الرسوم
التي قد تكون مستحقة فتكون للشيخ السلطة بانهاء هذه الاتفاقية وذلك بناء على ارشاد
من المعتمد السياسي اي القنصل العام وتسهر جميع الاموال العائدة للشركة والموجودة في
الحدود الكويتية لتنفيذ هذه الاتفاقية ملكاً للشيخ من دون بدل لهذا السبب ليس الا . واذا
قصر الشركة عن الاعلان المشروط عليه في المادة الخامسة بتاريخ ١٩٤١
او قبل ذلك فيحق للشيخ او مطالب الشركة اما ان تعلن الاعلان المذكور حالا واما ان تسلم
جميع الحقوق المندرجة في هذه الاتفاقية وهي ستنتهي عنده .

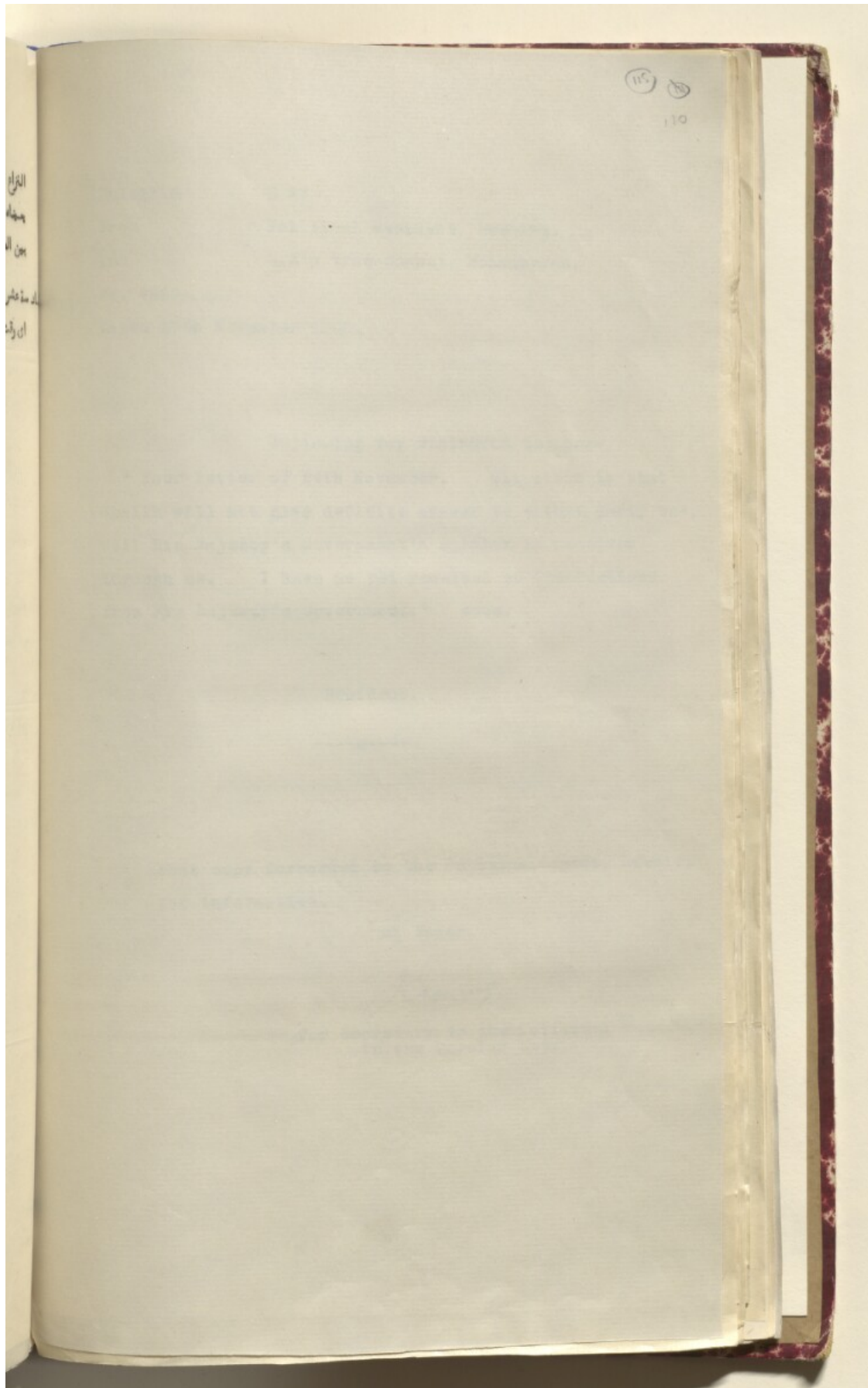
ثمة عشر يسوغ للشركة ان تحول الواجبات والنوائد المندرجة في هذه الاتفاقية الى اي شركة
انكليزية اذا استحسن الشيخ ذلك وفقاً لأرشاد المعتمد السياسي اي القنصل العام .

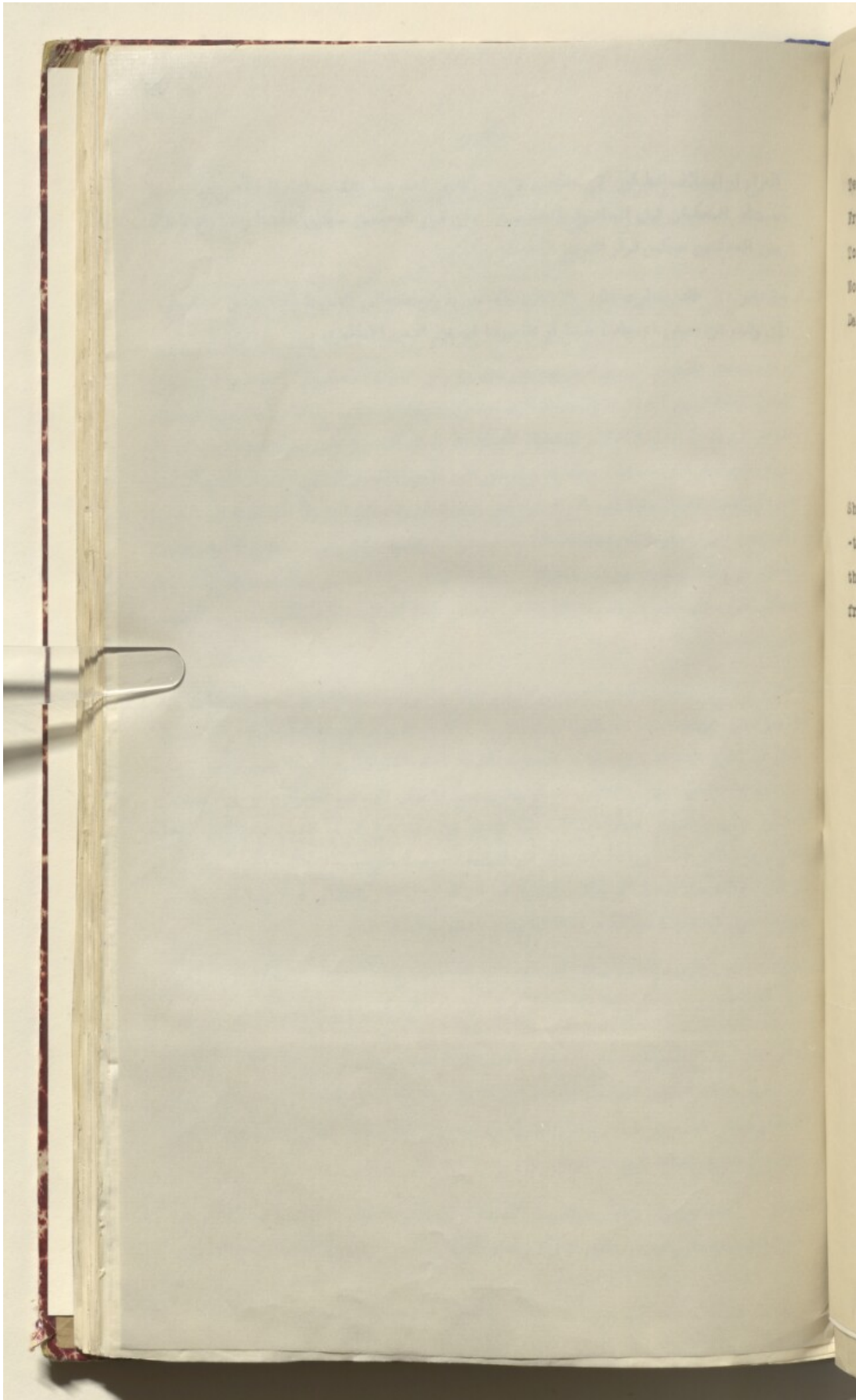
ثمة عشر يسوغ للشركة في اي وقت بعد اكمال الحفر المذكور في المادة الثالثة ان ترسل
الى الشيخ اخطاراً مقدماً قبل سنة واحدة لانها هذه الاتفاقية وحينما تعض مدة هذا
الاطار لا تبقى اية مسؤولية اخرى على الشركة بموجب هذا العقد بعد ان تؤدى جميع الدراهم
المستحقة للشيخ لنهاية تاريخ الانهاء .

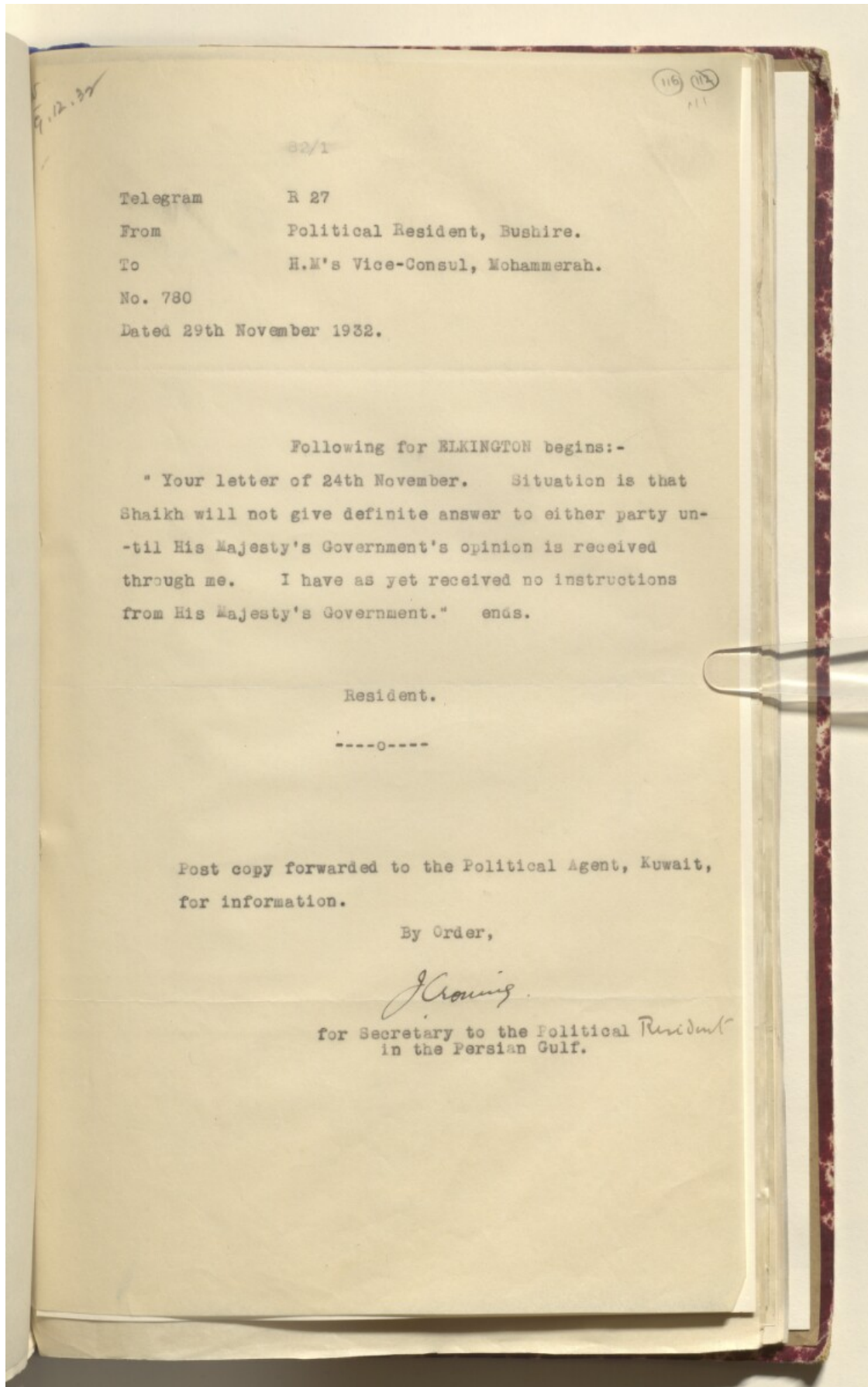
ثمة عشر عند حصول نزاع او خلاف بين الشيخ والشركة في تفسير الاتفاقية هذه او في
حقوق الشيخ ومسؤولياته او حقوق الشركة ومسؤولياتها الناجمة من هذه الاتفاقية يعرض

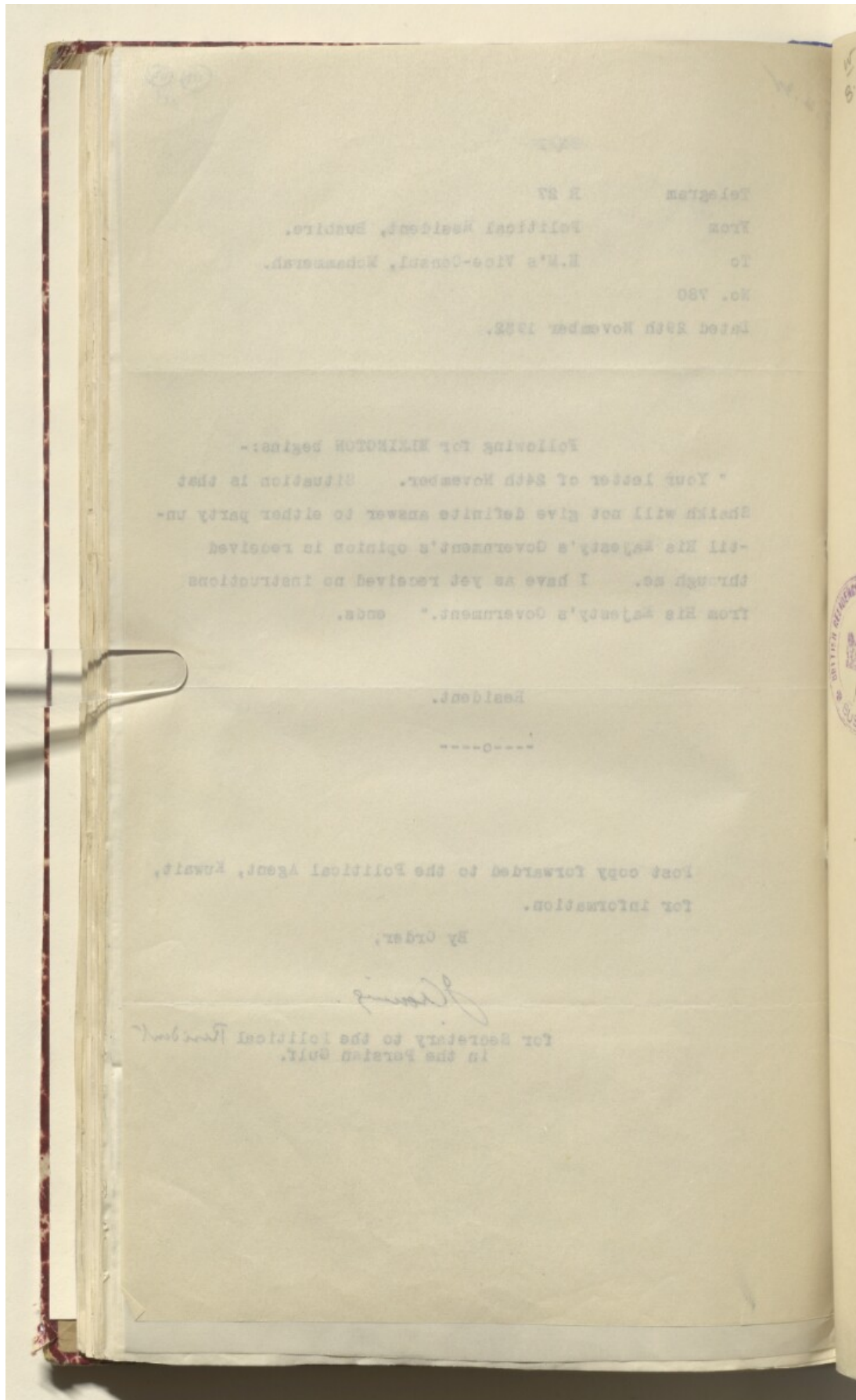














W
8.12.32

CONFIDENTIAL.

No. 879-S of 1932.

The Secretary to the Hon'ble the Political Resident in the Persian Gulf
presents his compliments to

The Political Agent,
Kuwait.

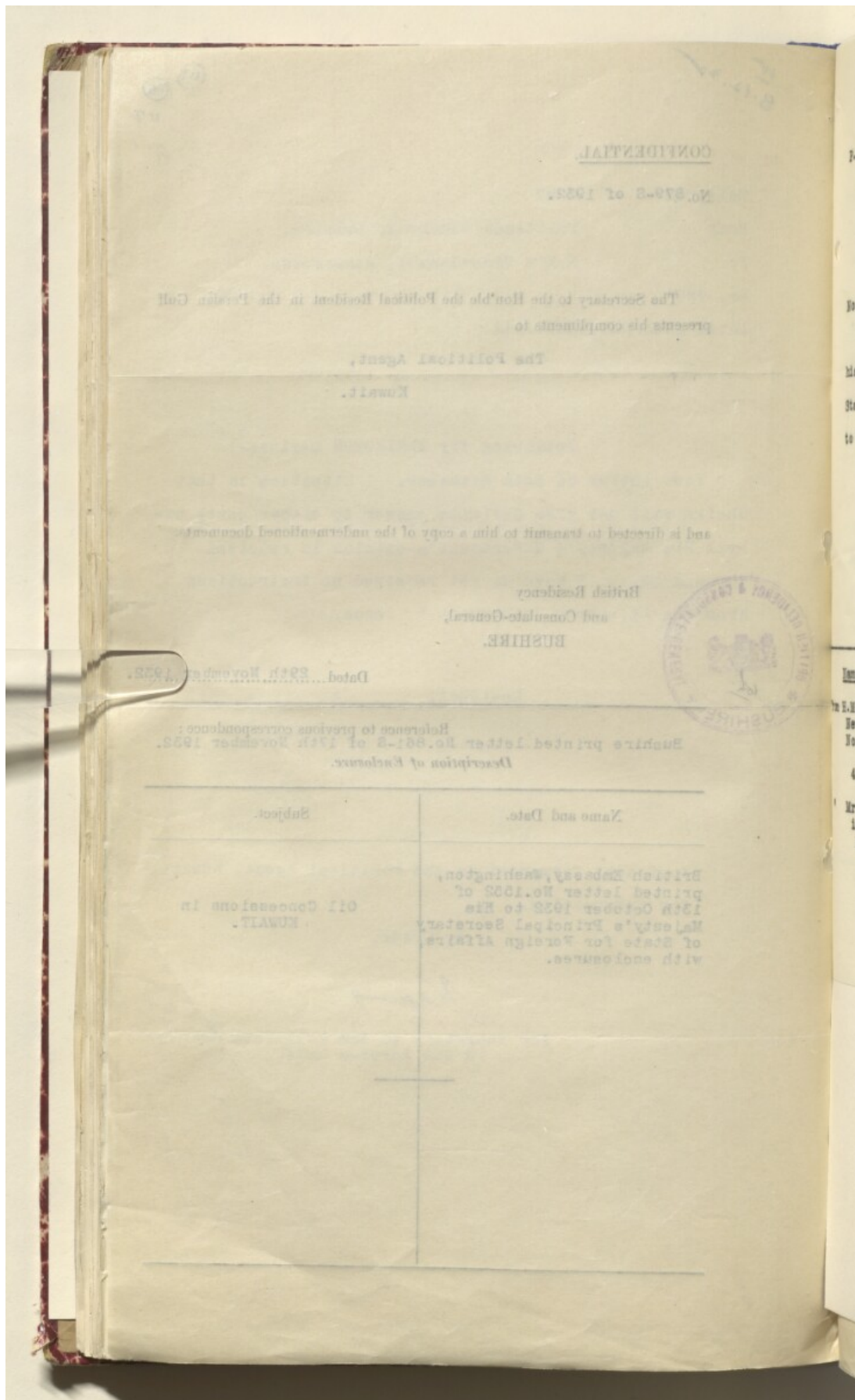
and is directed to transmit to him a copy of the undermentioned documents.

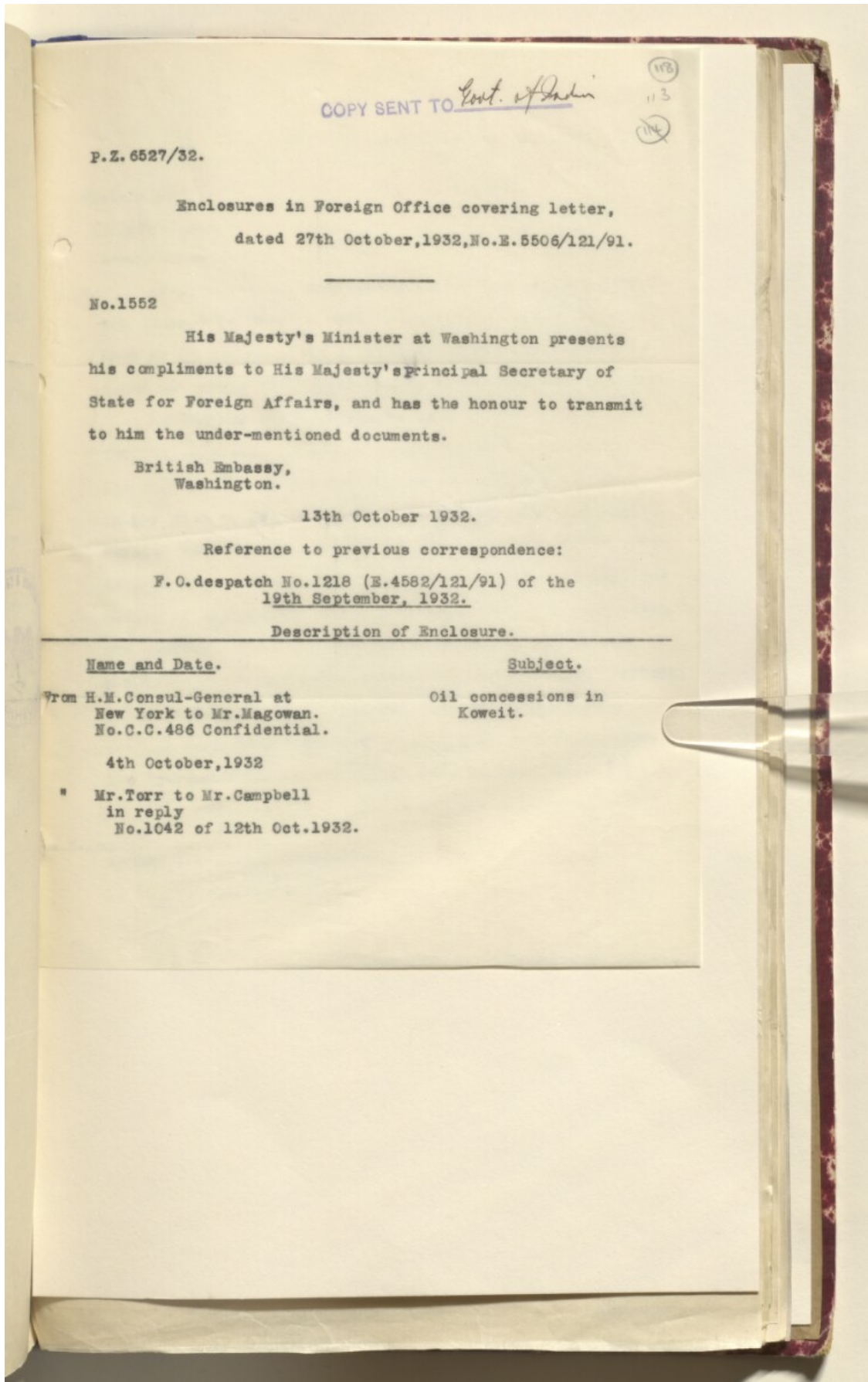
British Residency
and Consulate-General,
BUSHIRE.

Dated... 29th November 1932.

Reference to previous correspondence:
Bushire printed letter No. 861-S of 17th November 1932.
Description of Enclosure.

Name and Date.	Subject.
British Embassy, Washington, printed letter No. 1552 of 13th October 1932 to His Majesty's Principal Secretary of State for Foreign Affairs, with enclosures.	Oil Concessions in KUWAIT.





COPY SENT TO

Cont. of India

P.Z. 6527/32.

Enclosures in Foreign Office covering letter,
dated 27th October, 1932, No. E. 5506/121/91.

No. 1552

His Majesty's Minister at Washington presents
his compliments to His Majesty's principal Secretary of
State for Foreign Affairs, and has the honour to transmit
to him the under-mentioned documents.

British Embassy,
Washington.

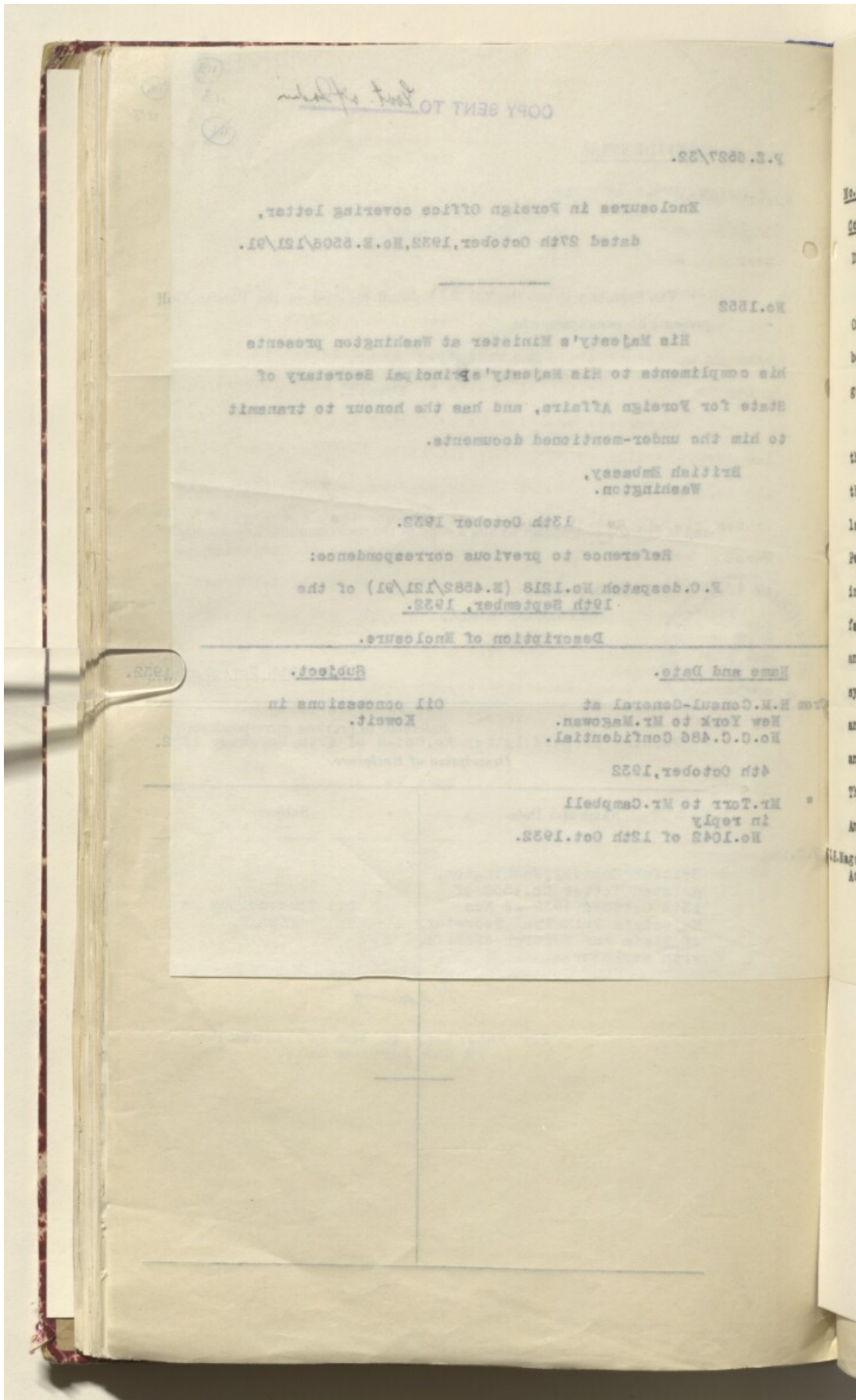
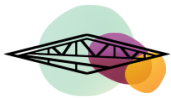
13th October 1932.

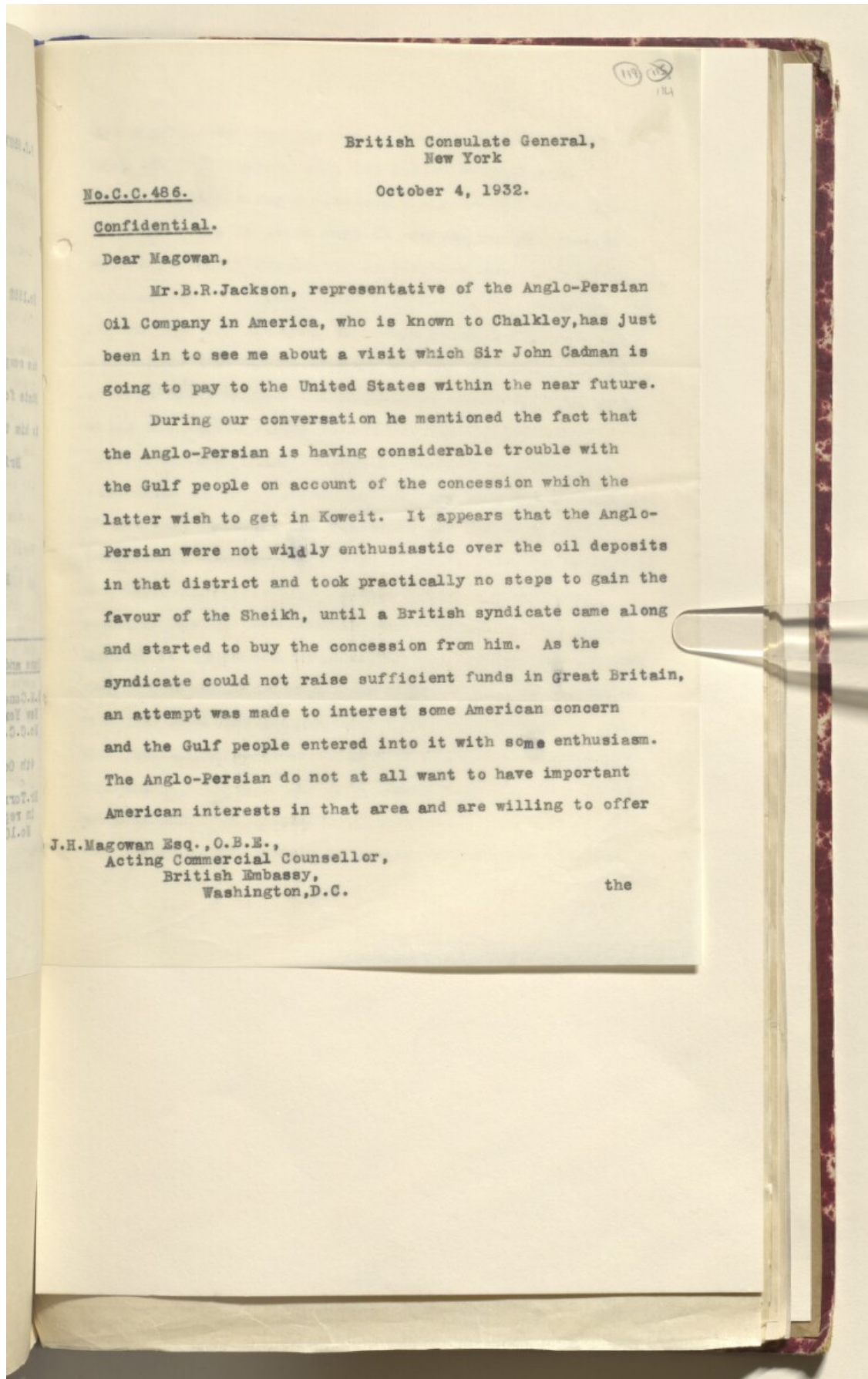
Reference to previous correspondence:

F. O. despatch No. 1218 (E. 4582/121/91) of the
19th September, 1932.

Description of Enclosure.

<u>Name and Date.</u>	<u>Subject.</u>
From H.M. Consul-General at New York to Mr. Magowan. No. C.C. 486 Confidential. 4th October, 1932	Oil concessions in Koweit.
Mr. Torr to Mr. Campbell in reply No. 1042 of 12th Oct. 1932.	





British Consulate General,
New York

No.C.C.486.

October 4, 1932.

Confidential.

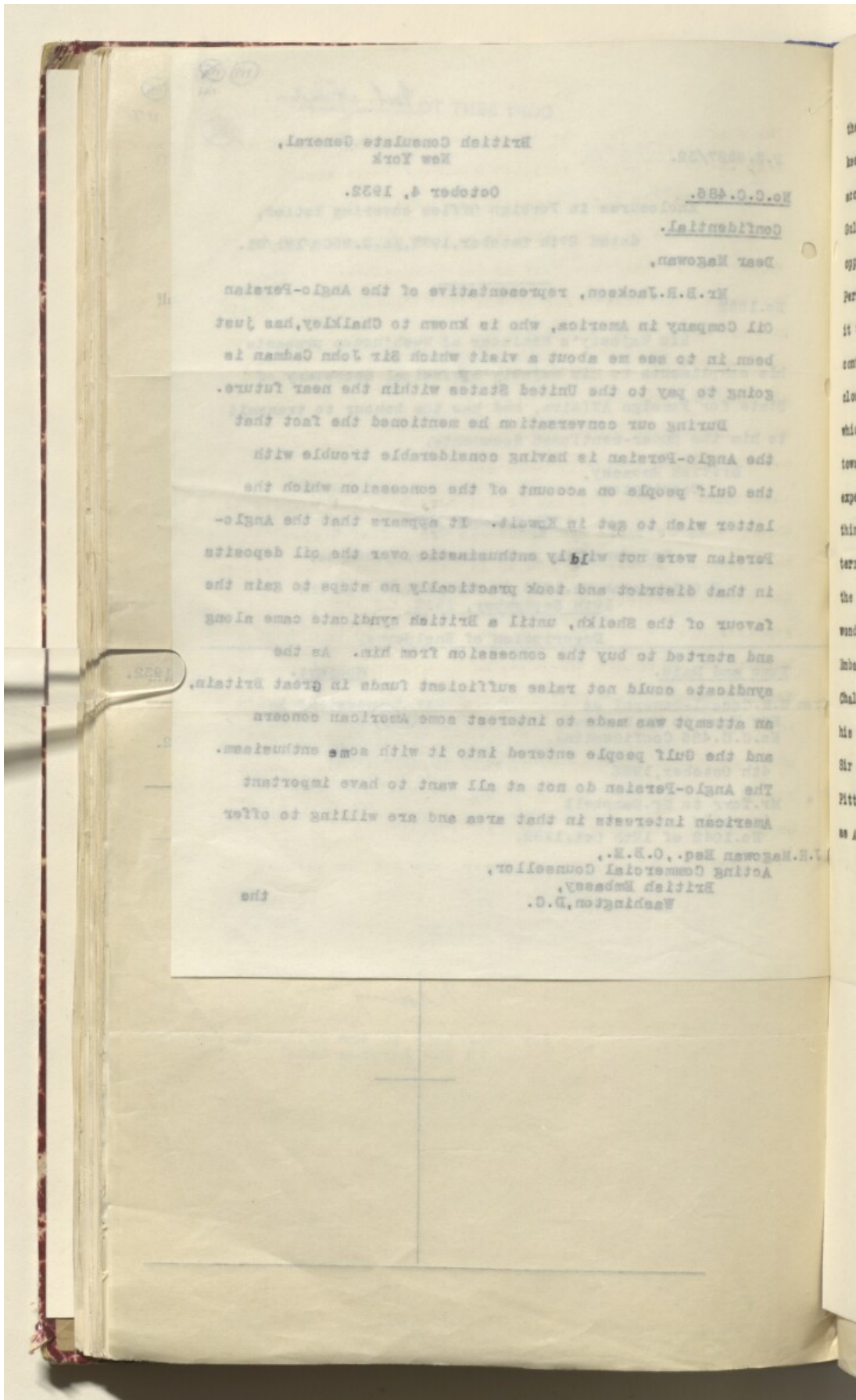
Dear Magowan,

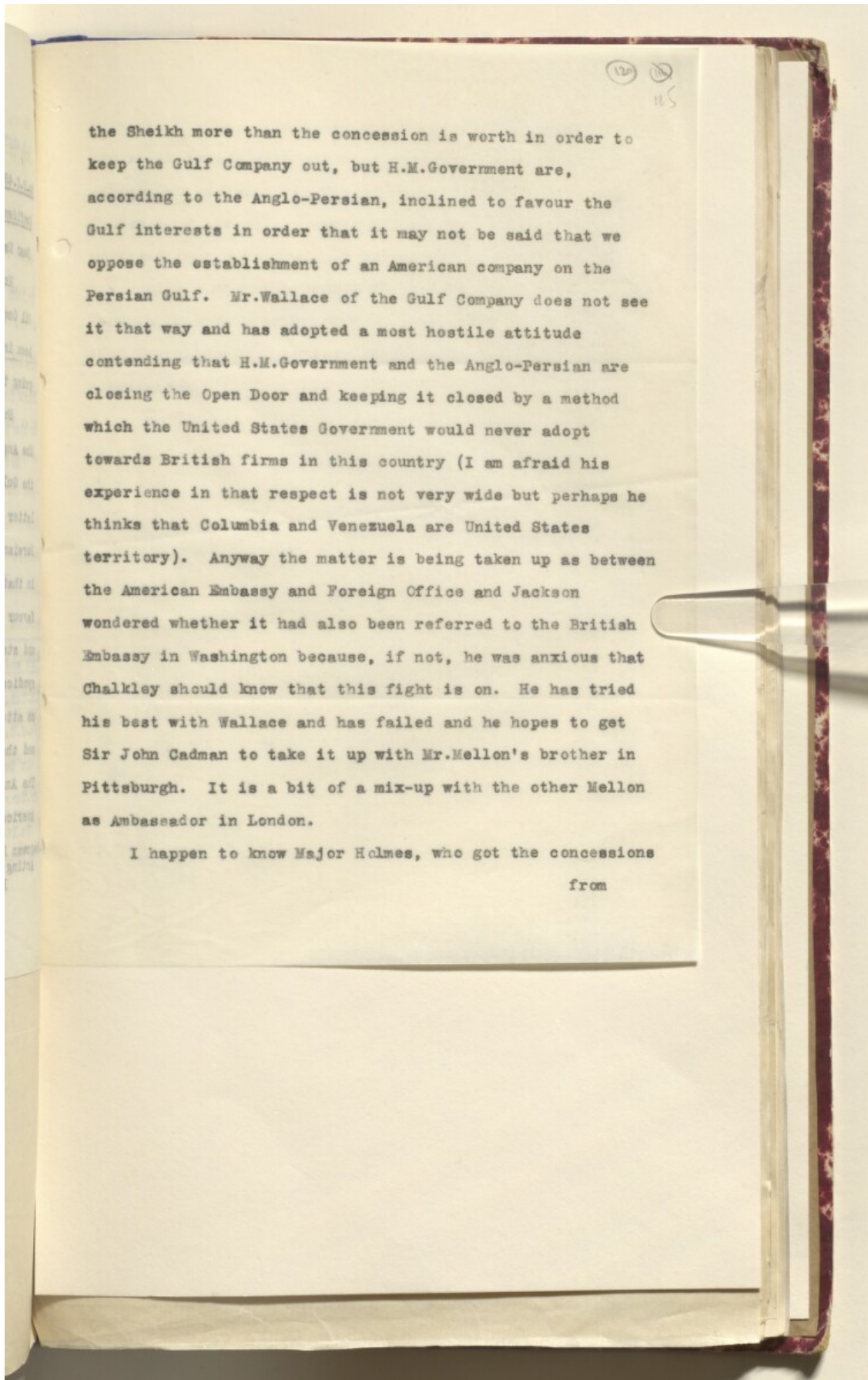
Mr.B.R.Jackson, representative of the Anglo-Persian Oil Company in America, who is known to Chalkley, has just been in to see me about a visit which Sir John Cadman is going to pay to the United States within the near future.

During our conversation he mentioned the fact that the Anglo-Persian is having considerable trouble with the Gulf people on account of the concession which the latter wish to get in Koweit. It appears that the Anglo-Persian were not wigly enthusiastic over the oil deposits in that district and took practically no steps to gain the favour of the Sheikh, until a British syndicate came along and started to buy the concession from him. As the syndicate could not raise sufficient funds in Great Britain, an attempt was made to interest some American concern and the Gulf people entered into it with some enthusiasm. The Anglo-Persian do not at all want to have important American interests in that area and are willing to offer

J.H.Magowan Esq., O.B.E.,
Acting Commercial Counsellor,
British Embassy,
Washington, D.C.

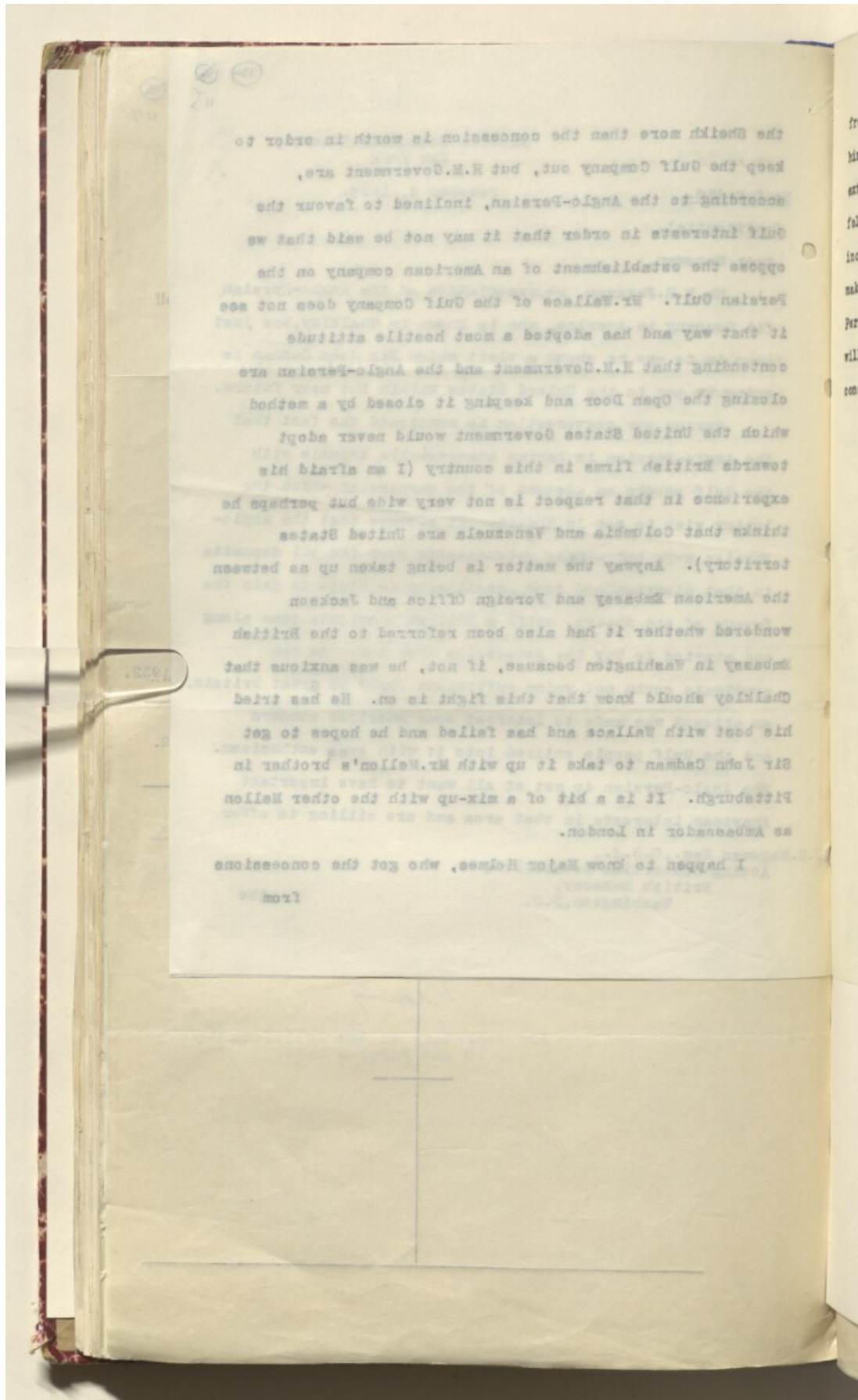
the

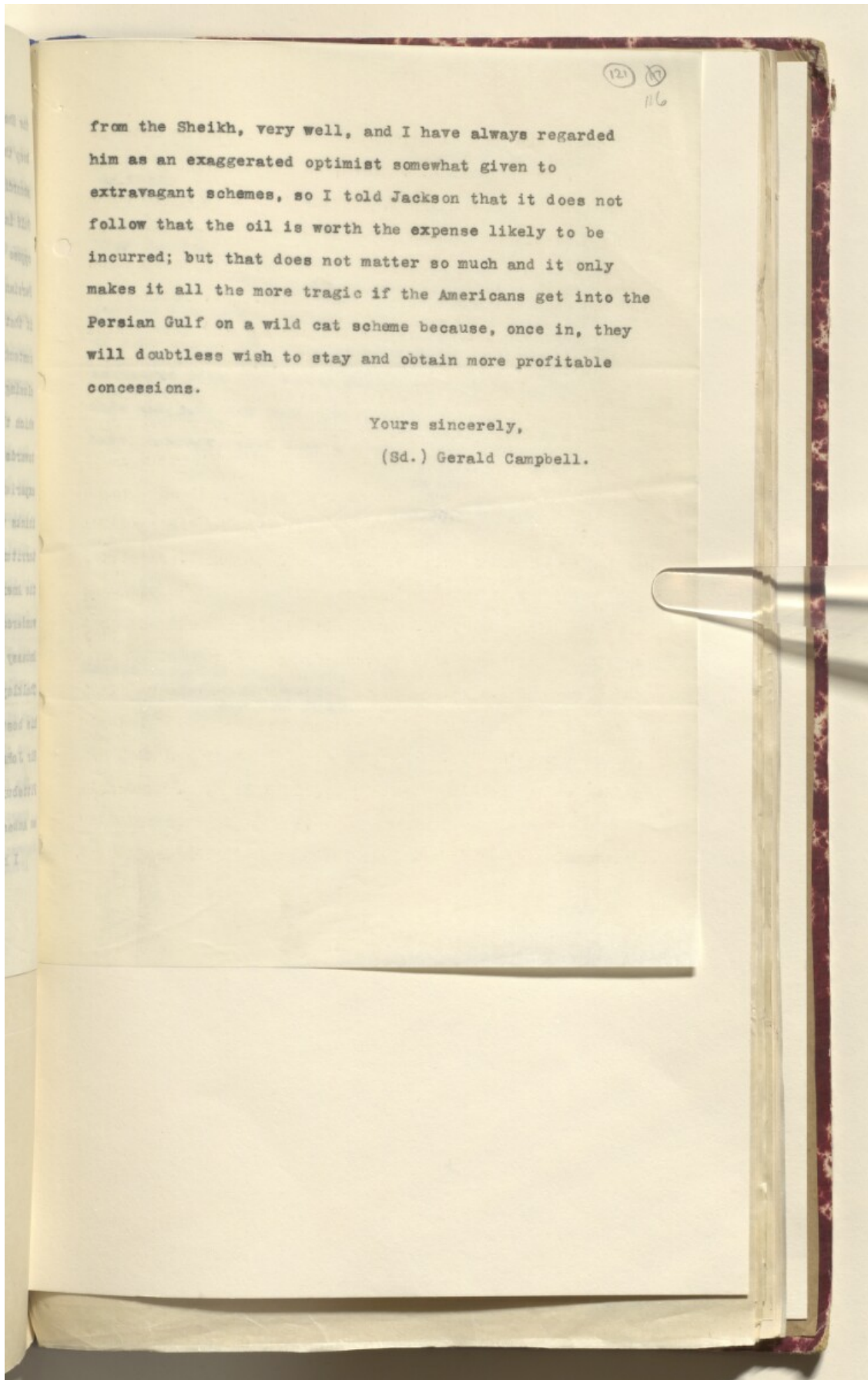




the Sheikh more than the concession is worth in order to keep the Gulf Company out, but H.M.Government are, according to the Anglo-Persian, inclined to favour the Gulf interests in order that it may not be said that we oppose the establishment of an American company on the Persian Gulf. Mr.Wallace of the Gulf Company does not see it that way and has adopted a most hostile attitude contending that H.M.Government and the Anglo-Persian are closing the Open Door and keeping it closed by a method which the United States Government would never adopt towards British firms in this country (I am afraid his experience in that respect is not very wide but perhaps he thinks that Columbia and Venezuela are United States territory). Anyway the matter is being taken up as between the American Embassy and Foreign Office and Jackson wondered whether it had also been referred to the British Embassy in Washington because, if not, he was anxious that Chalkley should know that this fight is on. He has tried his best with Wallace and has failed and he hopes to get Sir John Cadman to take it up with Mr.Mellon's brother in Pittsburgh. It is a bit of a mix-up with the other Mellon as Ambassador in London.

I happen to know Major Holmes, who got the concessions
from

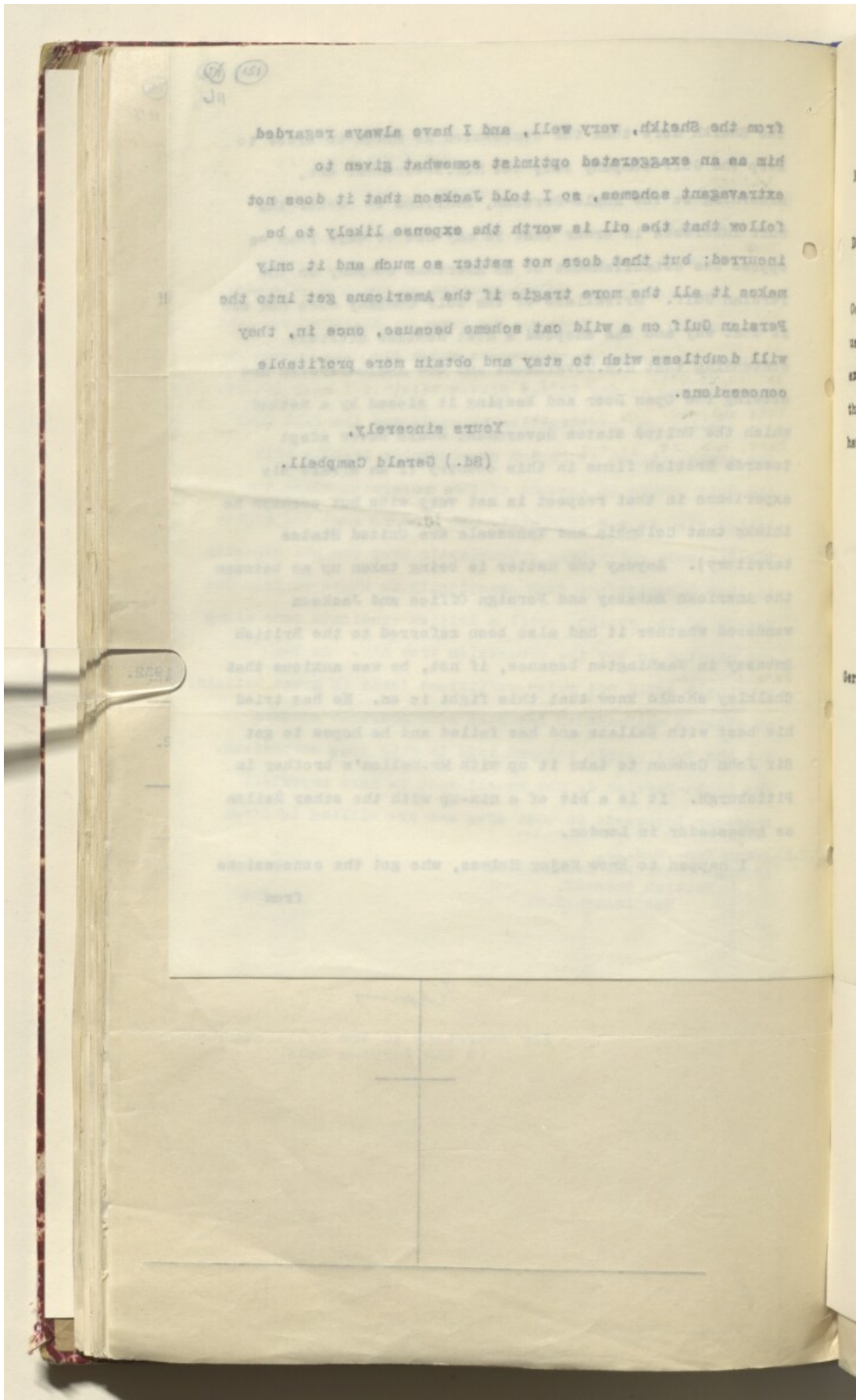


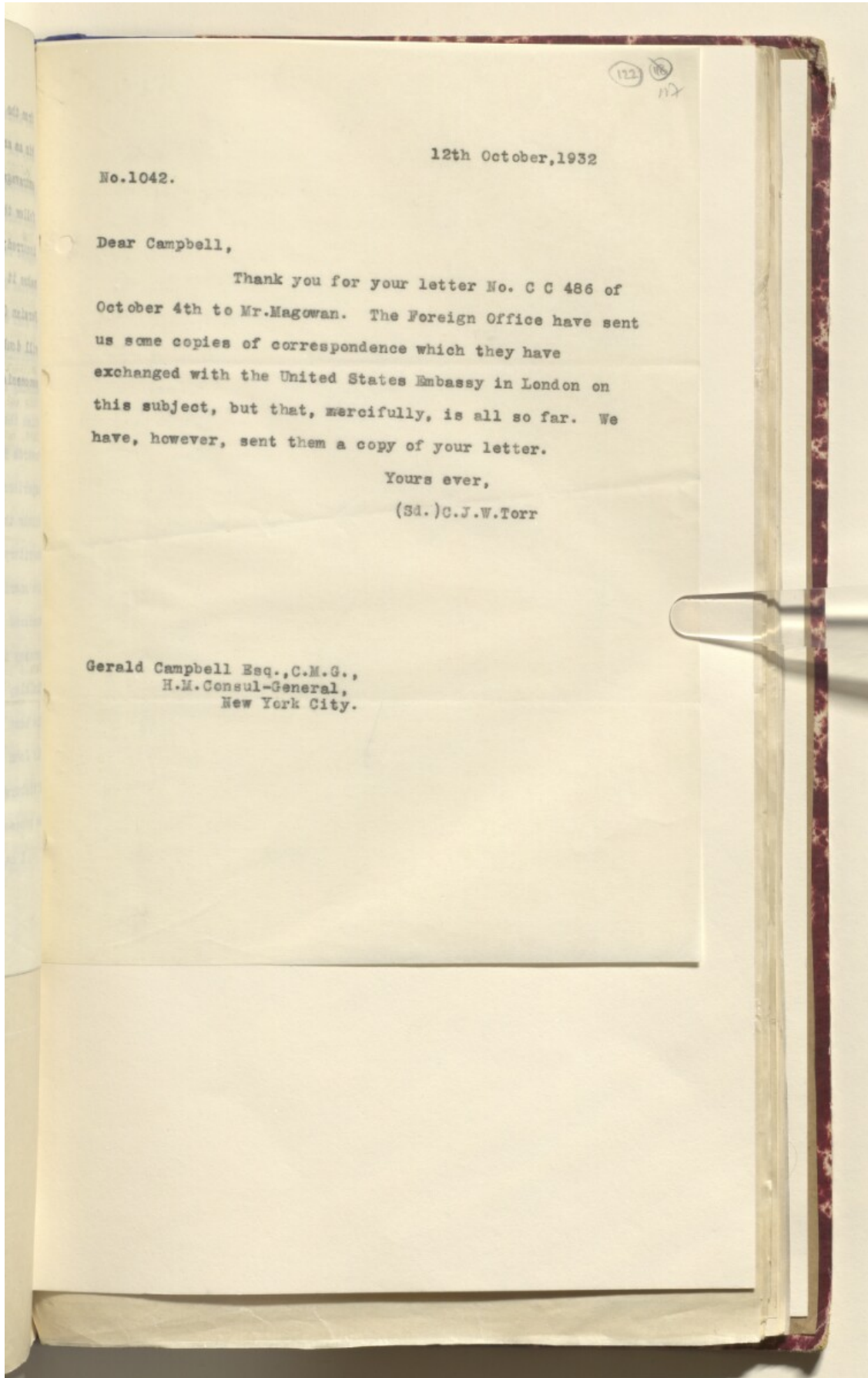
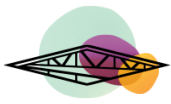


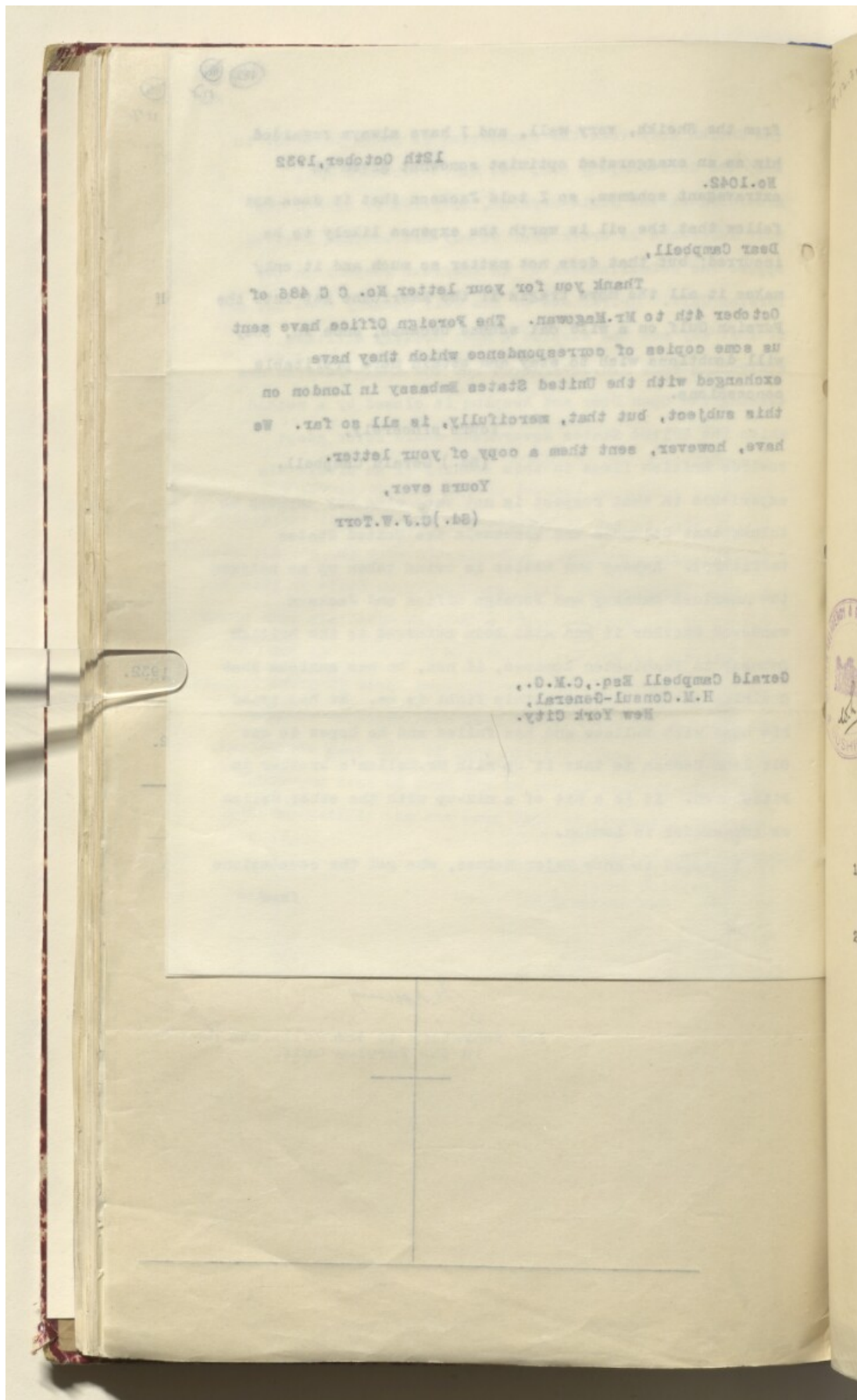
from the Sheikh, very well, and I have always regarded him as an exaggerated optimist somewhat given to extravagant schemes, so I told Jackson that it does not follow that the oil is worth the expense likely to be incurred; but that does not matter so much and it only makes it all the more tragic if the Americans get into the Persian Gulf on a wild cat scheme because, once in, they will doubtless wish to stay and obtain more profitable concessions.

Yours sincerely,

(Sd.) Gerald Campbell.









9.12.32

(123) (118)

CONFIDENTIAL.

No. 898-S of 1932.

The Secretary to the Hon'ble the Political Resident in the Persian Gulf
presents his compliments to

The Political Agent,
Kuwait.

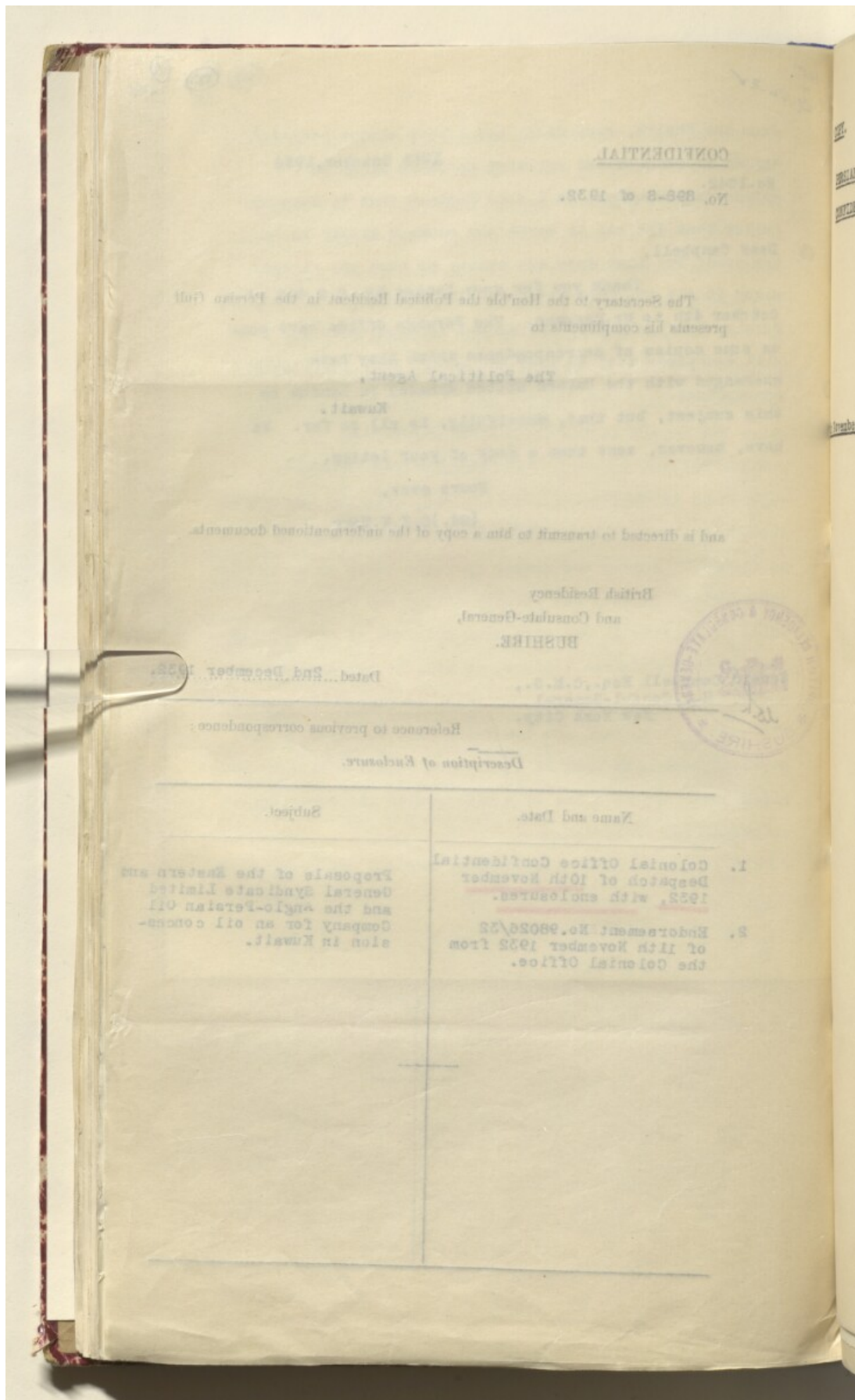
and is directed to transmit to him a copy of the undermentioned documents.

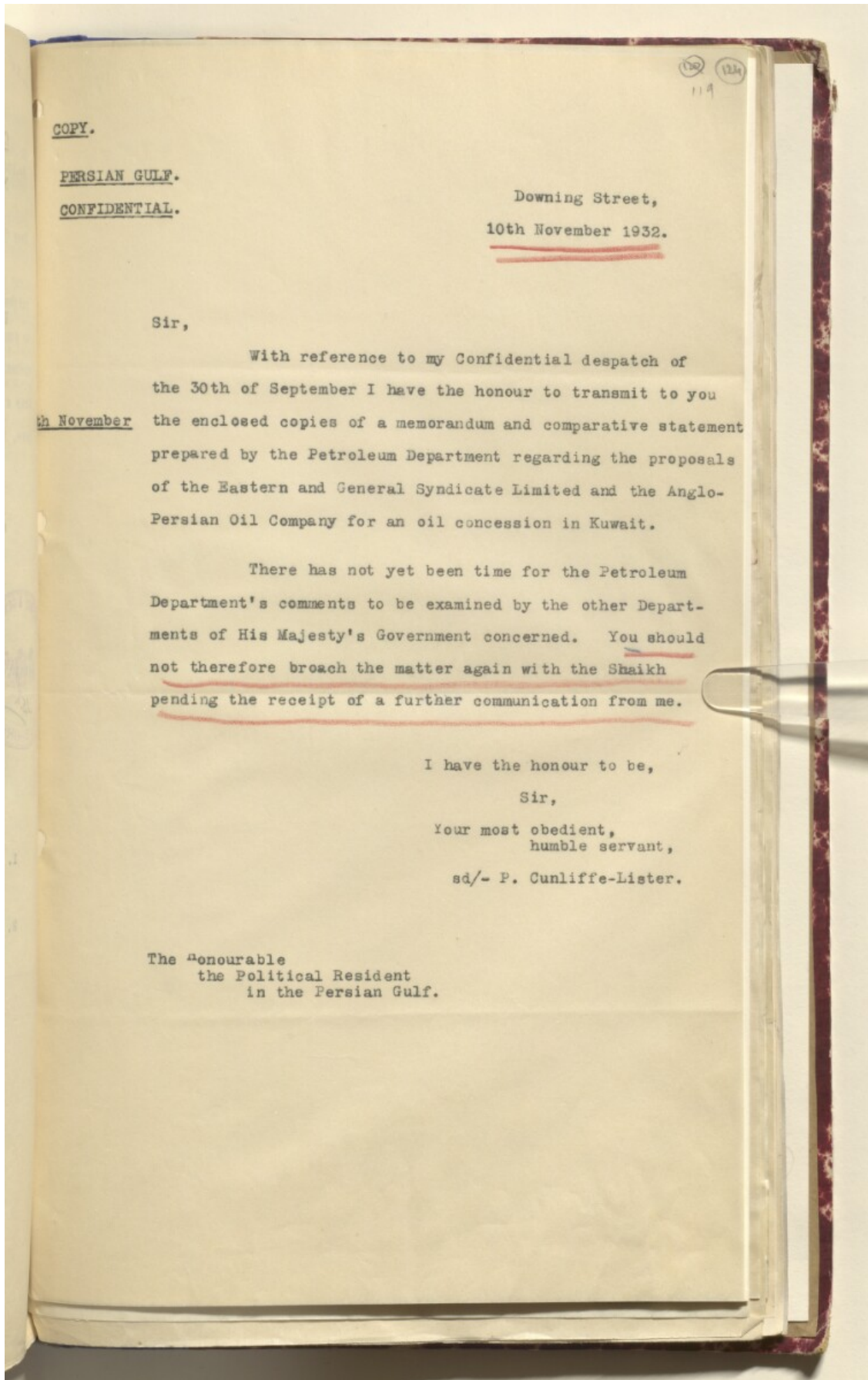
British Residency
and Consulate-General,
BUSHIRE.

Dated... 2nd. December. 1932.

Reference to previous correspondence :
Description of Enclosure.

Name and Date.	Subject.
1. Colonial Office Confidential Despatch of 10th November 1932, with enclosures.	Proposals of the Eastern and General Syndicate Limited and the Anglo-Persian Oil Company for an oil conces- sion in Kuwait.
2. Endorsement No. 98026/32 of 11th November 1932 from the Colonial Office.	





COPY.

PERSIAN GULF.

CONFIDENTIAL.

Downing Street,
10th November 1932.

Sir,

With reference to my Confidential despatch of the 30th of September I have the honour to transmit to you the enclosed copies of a memorandum and comparative statement prepared by the Petroleum Department regarding the proposals of the Eastern and General Syndicate Limited and the Anglo-Persian Oil Company for an oil concession in Kuwait.

There has not yet been time for the Petroleum Department's comments to be examined by the other Departments of His Majesty's Government concerned. You should not therefore broach the matter again with the Shaikh pending the receipt of a further communication from me.

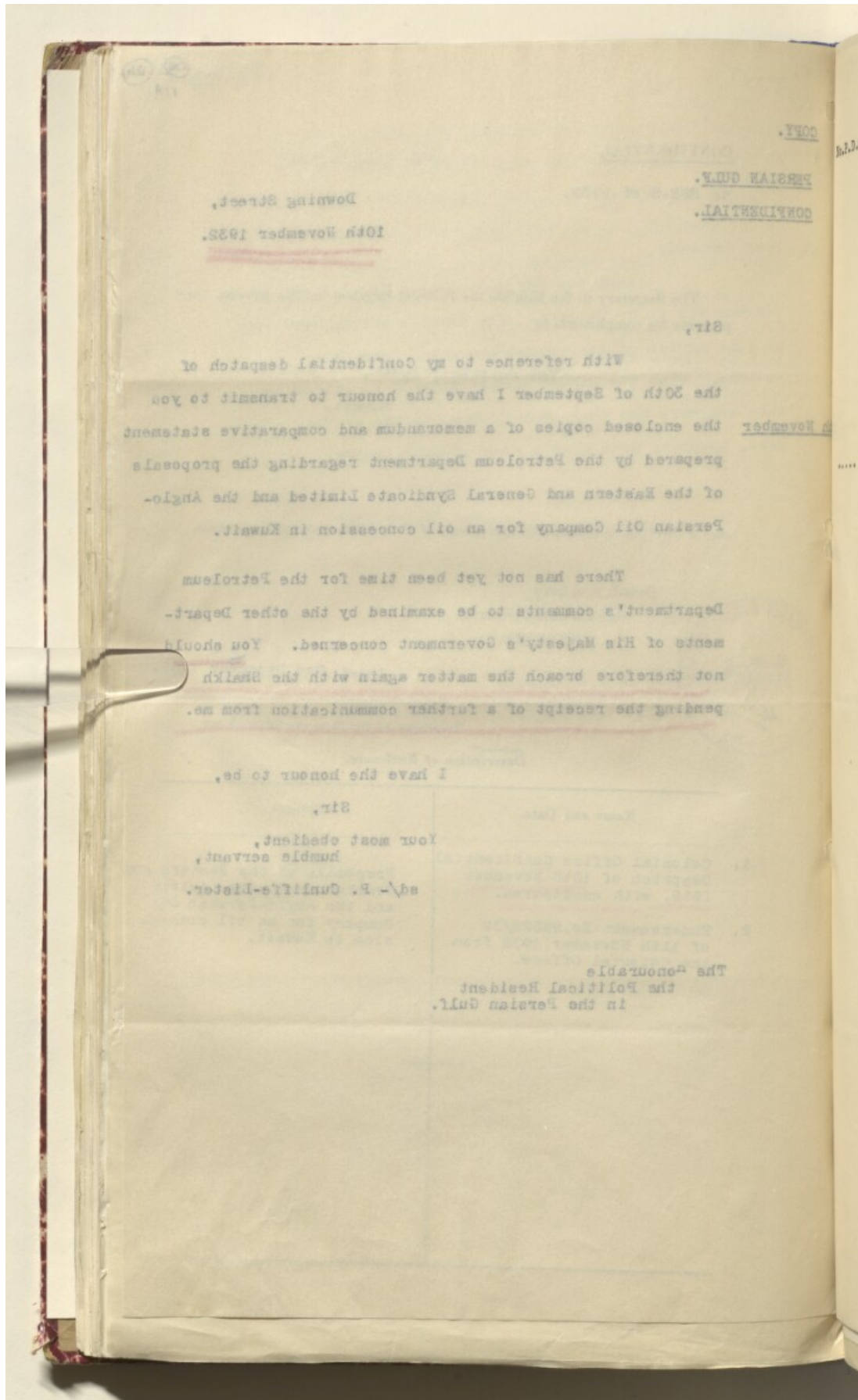
I have the honour to be,

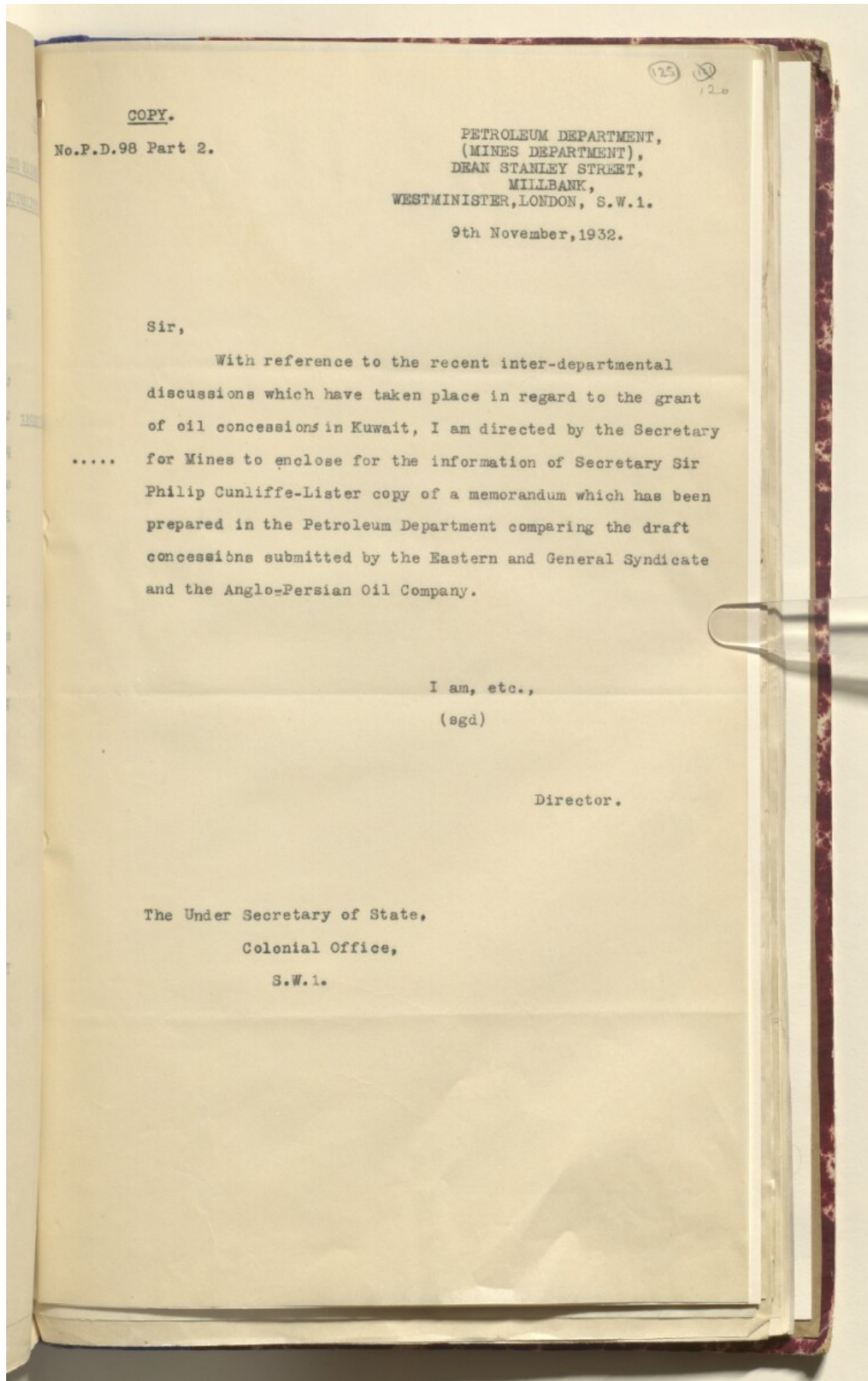
Sir,

Your most obedient,
humble servant,

sd/- P. Cunliffe-Lister.

The Honourable
the Political Resident
in the Persian Gulf.





COPY.

No.P.D.98 Part 2.

PETROLEUM DEPARTMENT,
(MINES DEPARTMENT),
DEAN STANLEY STREET,
MILLBANK,
WESTMINSTER, LONDON, S.W.1.

9th November, 1932.

Sir,

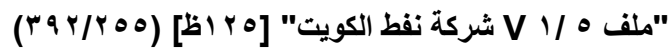
With reference to the recent inter-departmental discussions which have taken place in regard to the grant of oil concessions in Kuwait, I am directed by the Secretary for Mines to enclose for the information of Secretary Sir Philip Cunliffe-Lister copy of a memorandum which has been prepared in the Petroleum Department comparing the draft concessions submitted by the Eastern and General Syndicate and the Anglo-Persian Oil Company.

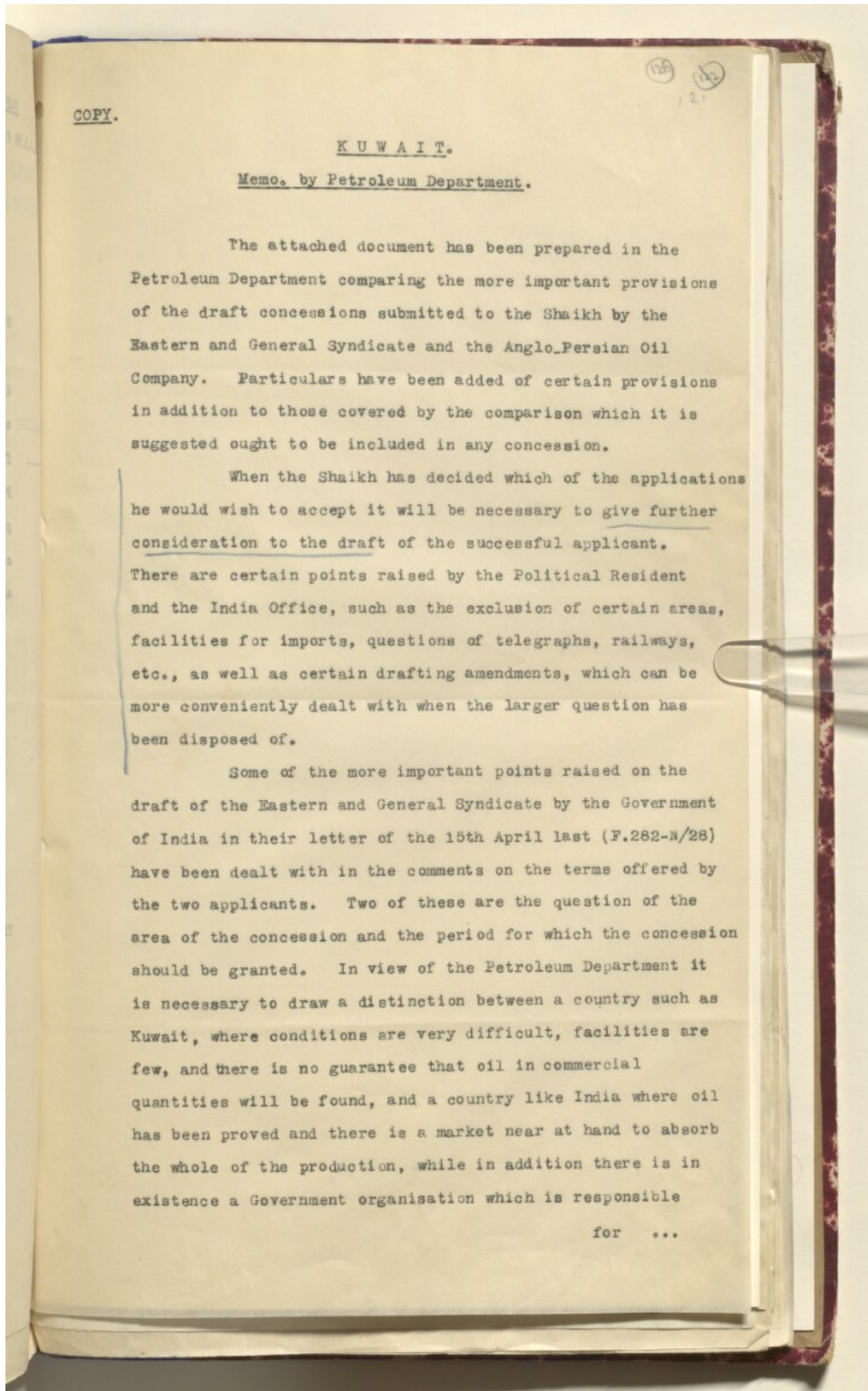
I am, etc.,

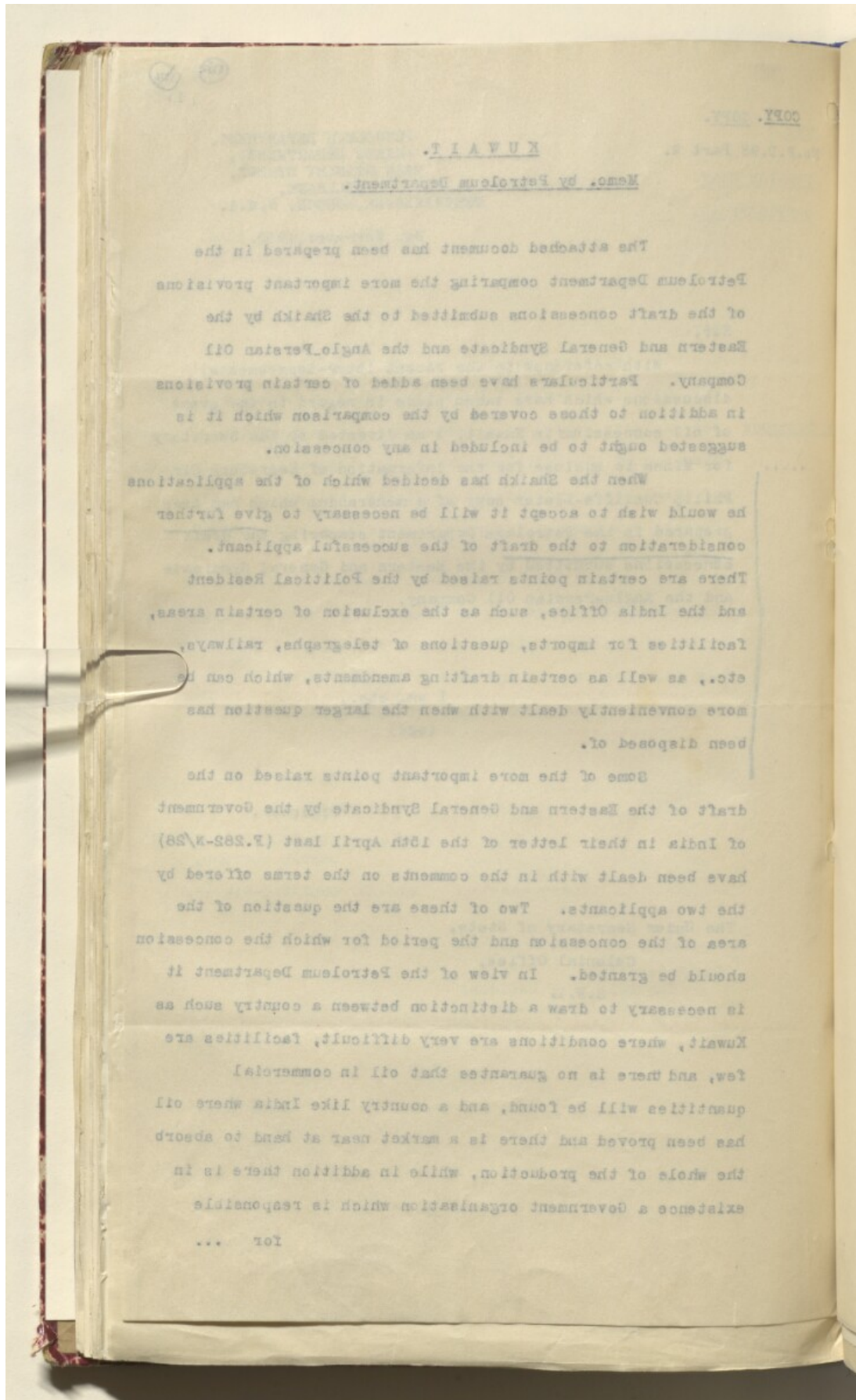
(sgd)

Director.

The Under Secretary of State,
Colonial Office,
S.W.1.









-2-

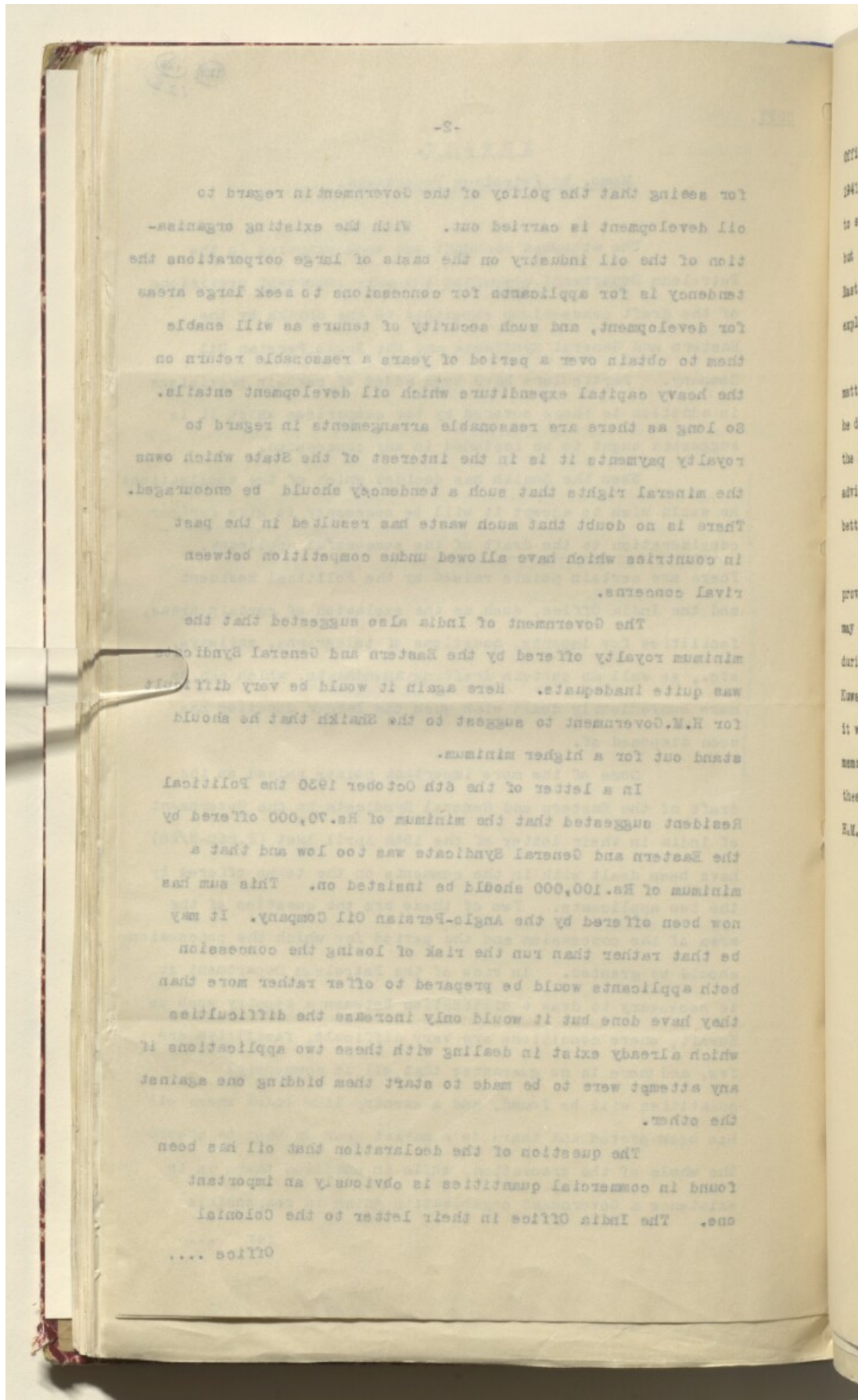
for seeing that the policy of the Government in regard to oil development is carried out. With the existing organisation of the oil industry on the basis of large corporations the tendency is for applicants for concessions to seek large areas for development, and such security of tenure as will enable them to obtain over a period of years a reasonable return on the heavy capital expenditure which oil development entails. So long as there are reasonable arrangements in regard to royalty payments it is in the interest of the State which owns the mineral rights that such a tendency should be encouraged. There is no doubt that much waste has resulted in the past in countries which have allowed undue competition between rival concerns.

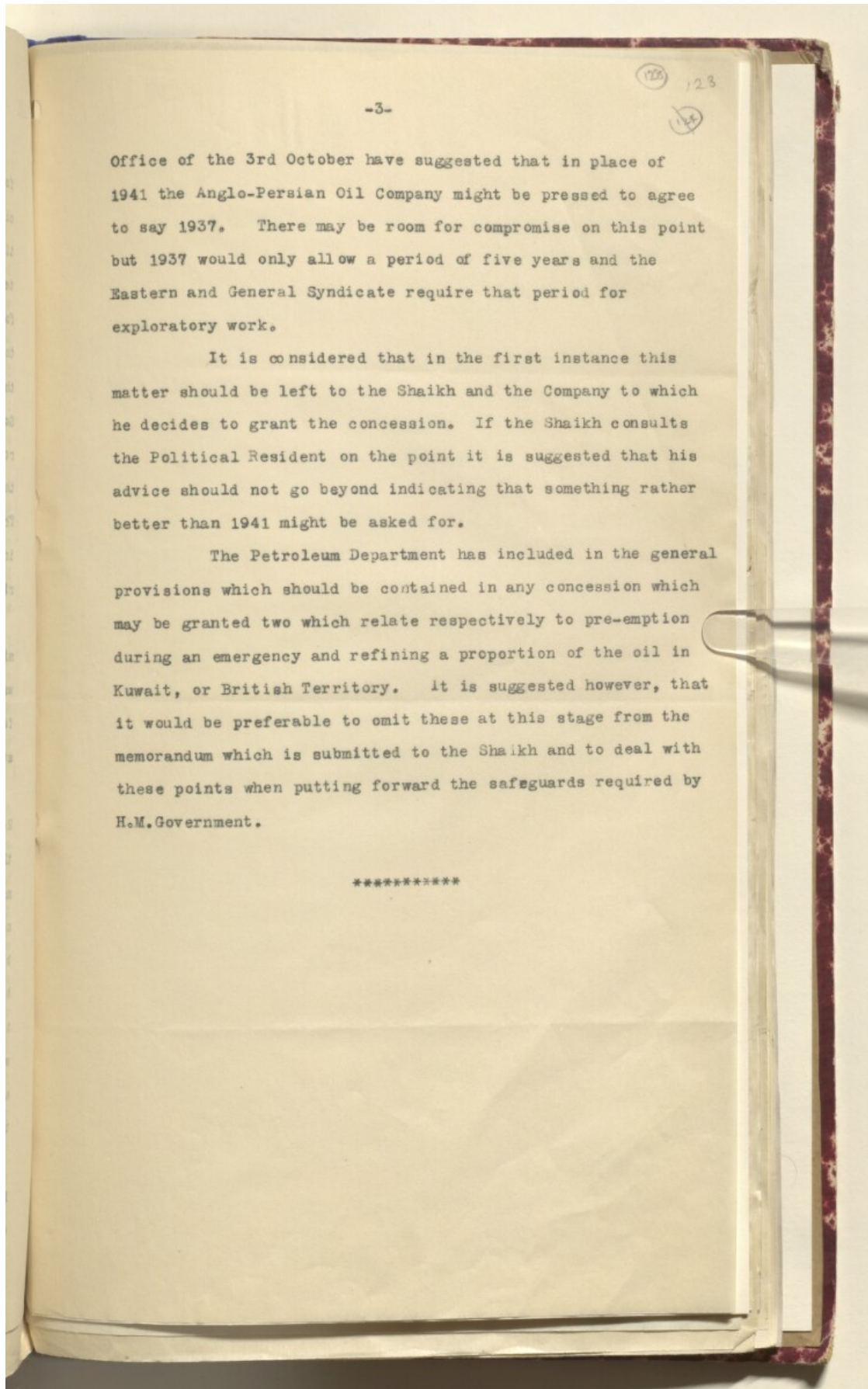
The Government of India also suggested that the minimum royalty offered by the Eastern and General Syndicate was quite inadequate. Here again it would be very difficult for H.M. Government to suggest to the Shaikh that he should stand out for a higher minimum.

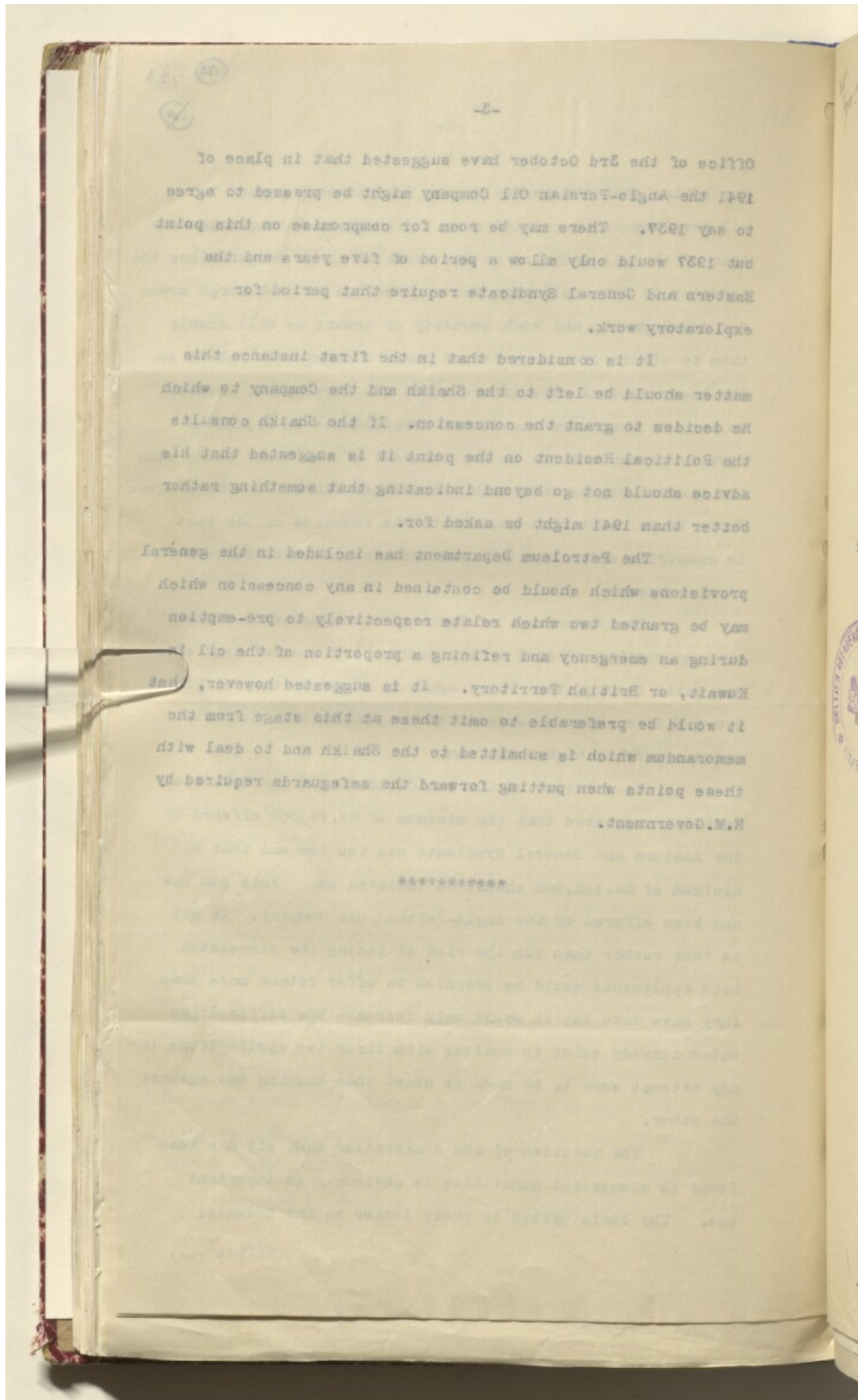
In a letter of the 6th October 1930 the Political Resident suggested that the minimum of Rs.70,000 offered by the Eastern and General Syndicate was too low and that a minimum of Rs.100,000 should be insisted on. This sum has now been offered by the Anglo-Persian Oil Company. It may be that rather than run the risk of losing the concession both applicants would be prepared to offer rather more than they have done but it would only increase the difficulties which already exist in dealing with these two applications if any attempt were to be made to start them bidding one against the other.

The question of the declaration that oil has been found in commercial quantities is obviously an important one. The India Office in their letter to the Colonial

Office









65
20.12.32

124
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CONFIDENTIAL.

No. 916-S of 1932.

The Secretary to the Hon'ble the Political Resident in the Persian Gulf
presents his compliments to

The Political Agent,
Kuwait.

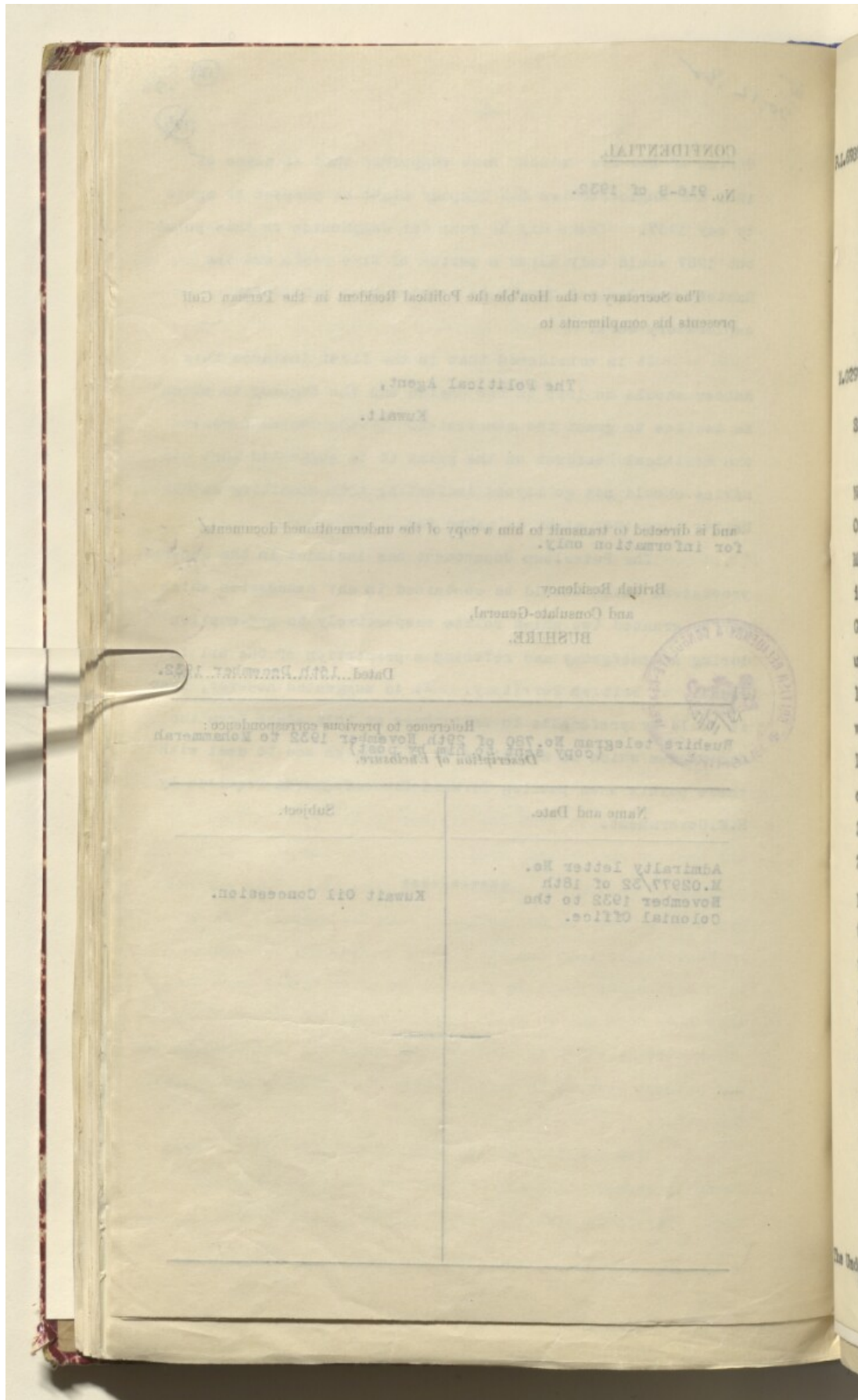
and is directed to transmit to him a copy of the undermentioned documents,
for information only.

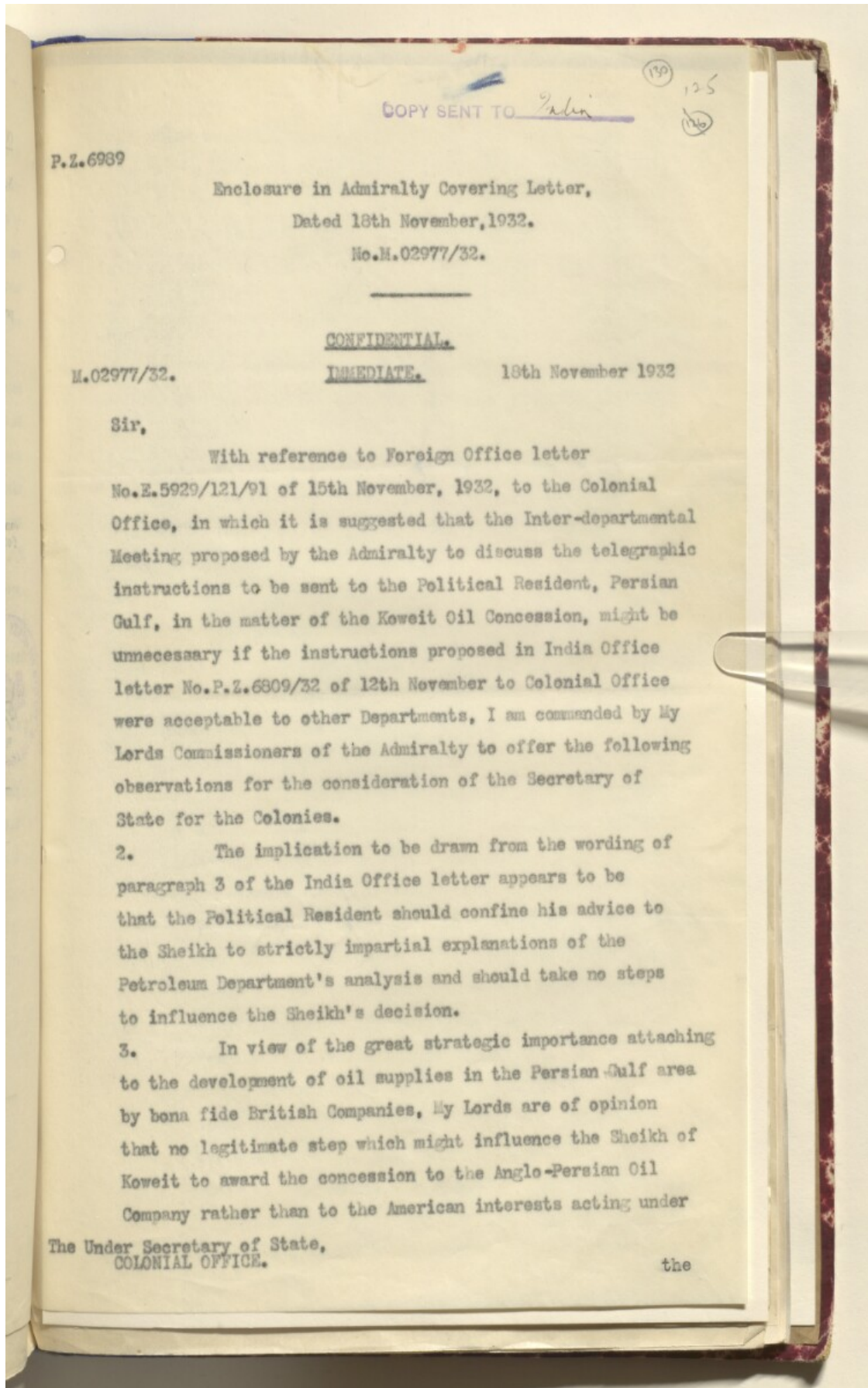
British Residency
and Consulate-General,
BUSHIRE.

Dated...16th..December..1932.

Reference to previous correspondence:
Bushire telegram No. 780 of 29th November 1932 to Mohammerah
(copy sent to him by post)
Description of Enclosure.

Name and Date.	Subject.
Admiralty letter No. M.02977/32 of 18th November 1932 to the Colonial Office.	Kuwait Oil Concession.





P.Z.6989

Enclosure in Admiralty Covering Letter,

Dated 18th November, 1932.

No.M.02977/32.

CONFIDENTIAL.

M.02977/32.

IMMEDIATE.

18th November 1932

Sir,

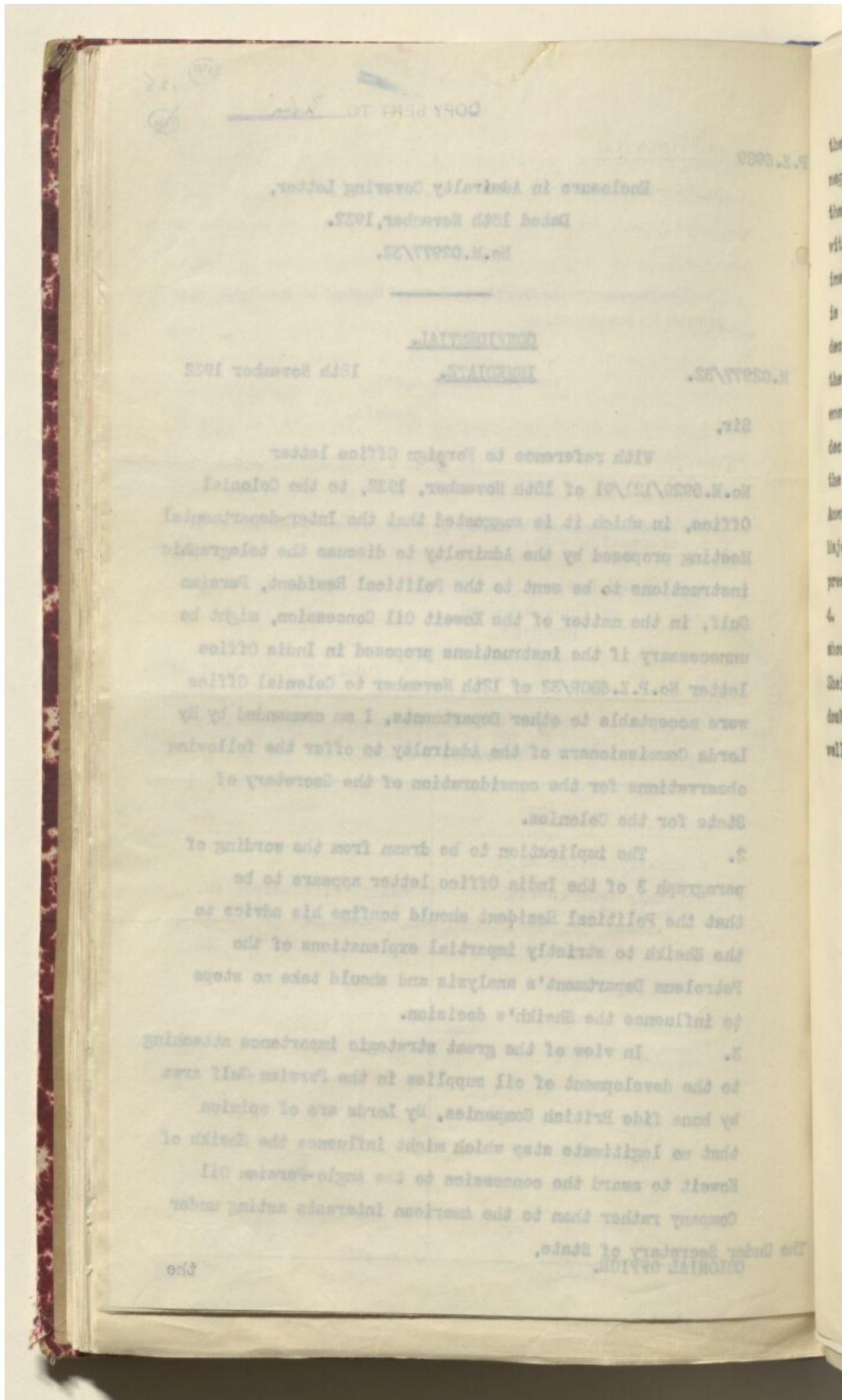
With reference to Foreign Office letter No.E.5929/121/91 of 15th November, 1932, to the Colonial Office, in which it is suggested that the Inter-departmental Meeting proposed by the Admiralty to discuss the telegraphic instructions to be sent to the Political Resident, Persian Gulf, in the matter of the Koweit Oil Concession, might be unnecessary if the instructions proposed in India Office letter No.P.Z.6809/32 of 12th November to Colonial Office were acceptable to other Departments, I am commanded by My Lords Commissioners of the Admiralty to offer the following observations for the consideration of the Secretary of State for the Colonies.

2. The implication to be drawn from the wording of paragraph 3 of the India Office letter appears to be that the Political Resident should confine his advice to the Sheikh to strictly impartial explanations of the Petroleum Department's analysis and should take no steps to influence the Sheikh's decision.

3. In view of the great strategic importance attaching to the development of oil supplies in the Persian Gulf area by bona fide British Companies, My Lords are of opinion that no legitimate step which might influence the Sheikh of Koweit to award the concession to the Anglo-Persian Oil Company rather than to the American interests acting under

The Under Secretary of State,
COLONIAL OFFICE.

the





(131) 126
(127)

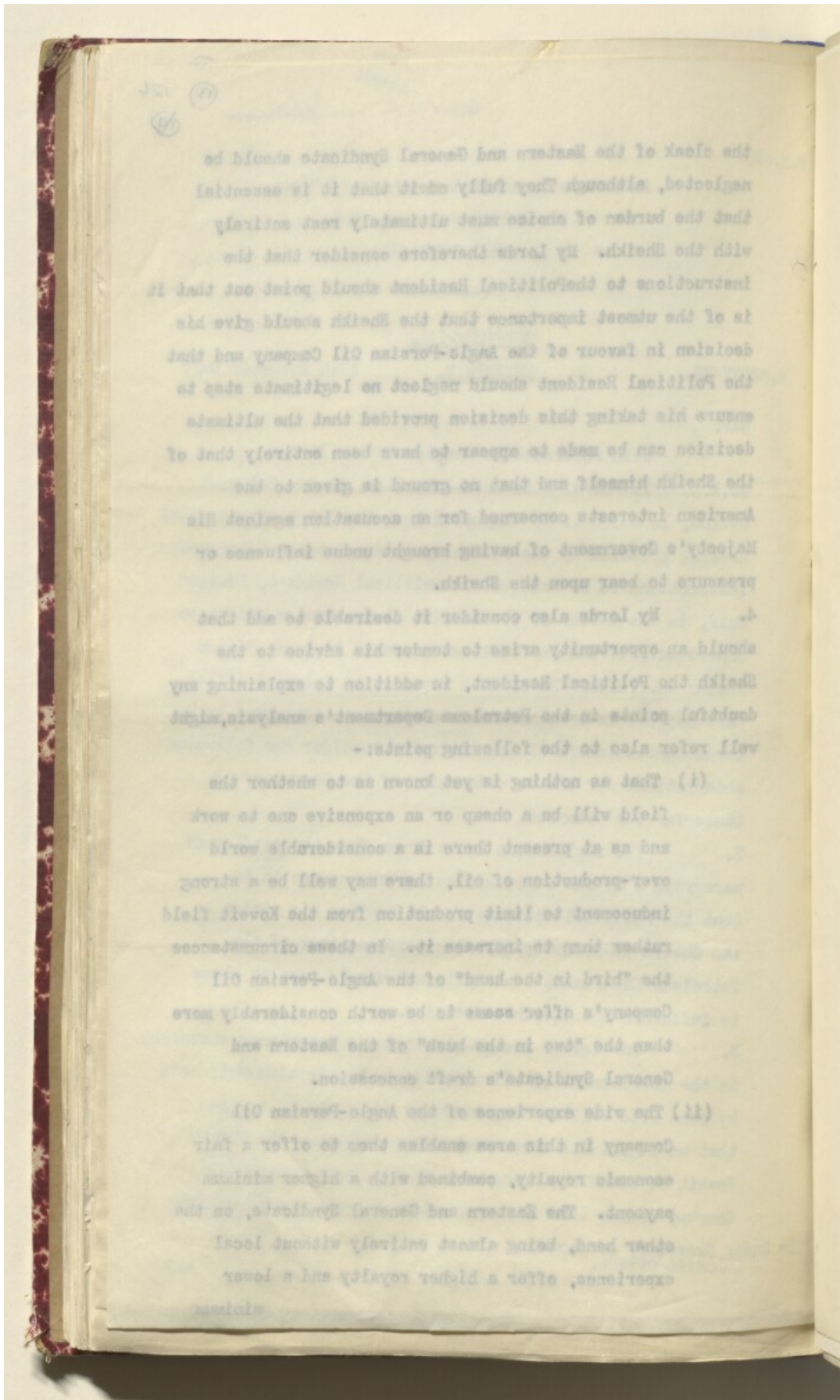
the cloak of the Eastern and General Syndicate should be neglected, although They fully admit that it is essential that the burden of choice must ultimately rest entirely with the Sheikh. My Lords therefore consider that the instructions to the Political Resident should point out that it is of the utmost importance that the Sheikh should give his decision in favour of the Anglo-Persian Oil Company and that the Political Resident should neglect no legitimate step to ensure his taking this decision provided that the ultimate decision can be made to appear to have been entirely that of the Sheikh himself and that no ground is given to the American interests concerned for an accusation against His Majesty's Government of having brought undue influence or pressure to bear upon the Sheikh.

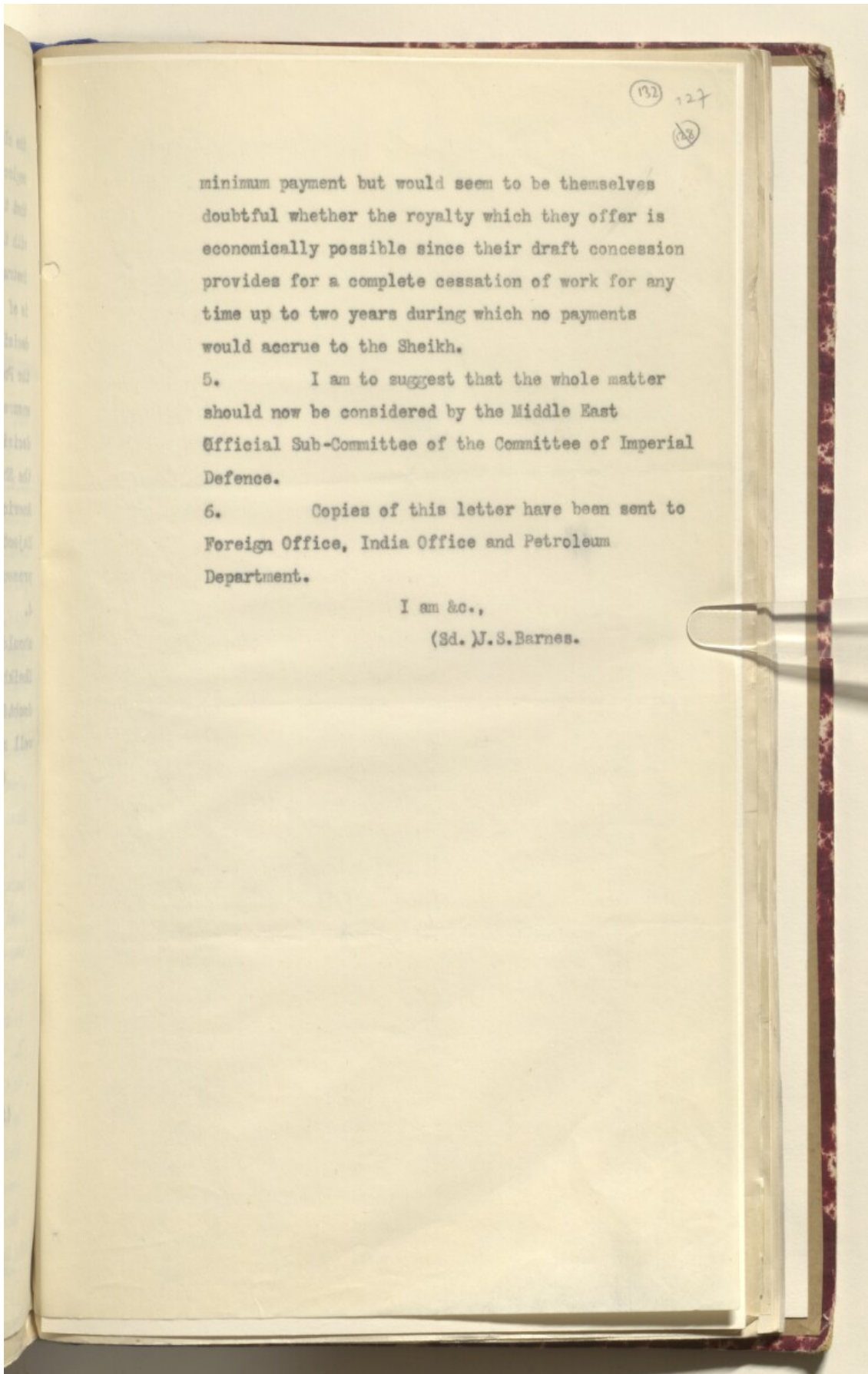
4. My Lords also consider it desirable to add that should an opportunity arise to tender his advice to the Sheikh the Political Resident, in addition to explaining any doubtful points in the Petroleum Department's analysis, might well refer also to the following points:-

(i) That as nothing is yet known as to whether the field will be a cheap or an expensive one to work and as at present there is a considerable world over-production of oil, there may well be a strong inducement to limit production from the Koweit field rather than to increase it. In these circumstances the "bird in the hand" of the Anglo-Persian Oil Company's offer seems to be worth considerably more than the "two in the bush" of the Eastern and General Syndicate's draft concession.

(ii) The wide experience of the Anglo-Persian Oil Company in this area enables them to offer a fair economic royalty, combined with a higher minimum payment. The Eastern and General Syndicate, on the other hand, being almost entirely without local experience, offer a higher royalty and a lower

minimum





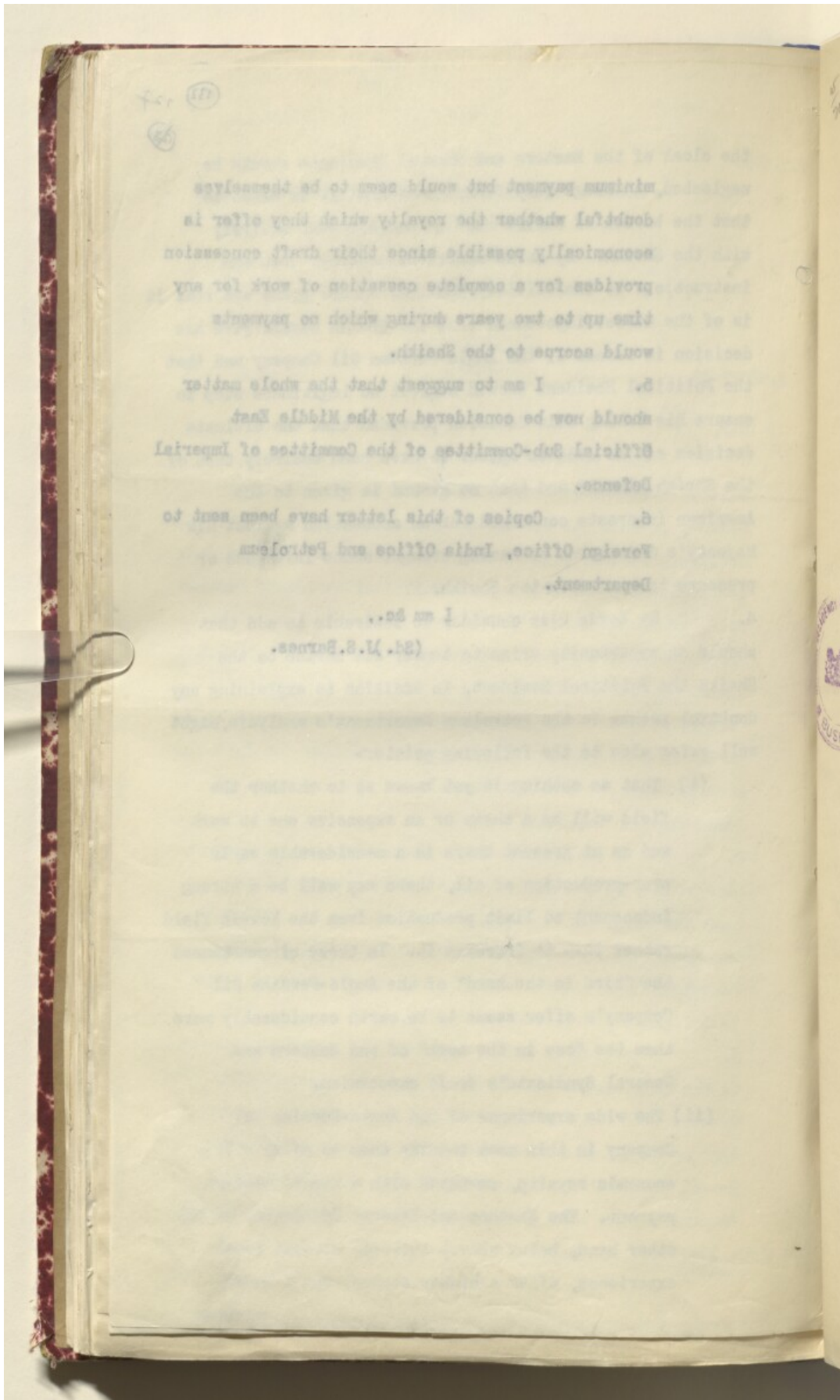
minimum payment but would seem to be themselves doubtful whether the royalty which they offer is economically possible since their draft concession provides for a complete cessation of work for any time up to two years during which no payments would accrue to the Sheikh.

5. I am to suggest that the whole matter should now be considered by the Middle East Official Sub-Committee of the Committee of Imperial Defence.

6. Copies of this letter have been sent to Foreign Office, India Office and Petroleum Department.

I am &c.,

(Sd.) J.S. Barnes.





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133 128
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CONFIDENTIAL.

No. 30 of 1932.

The Hon'ble the Political Resident in the Persian Gulf presents his compliments to

His Majesty's Secretary of State for
the Colonies, London.

The Foreign Secretary to the Government of
India. No. 924-S.

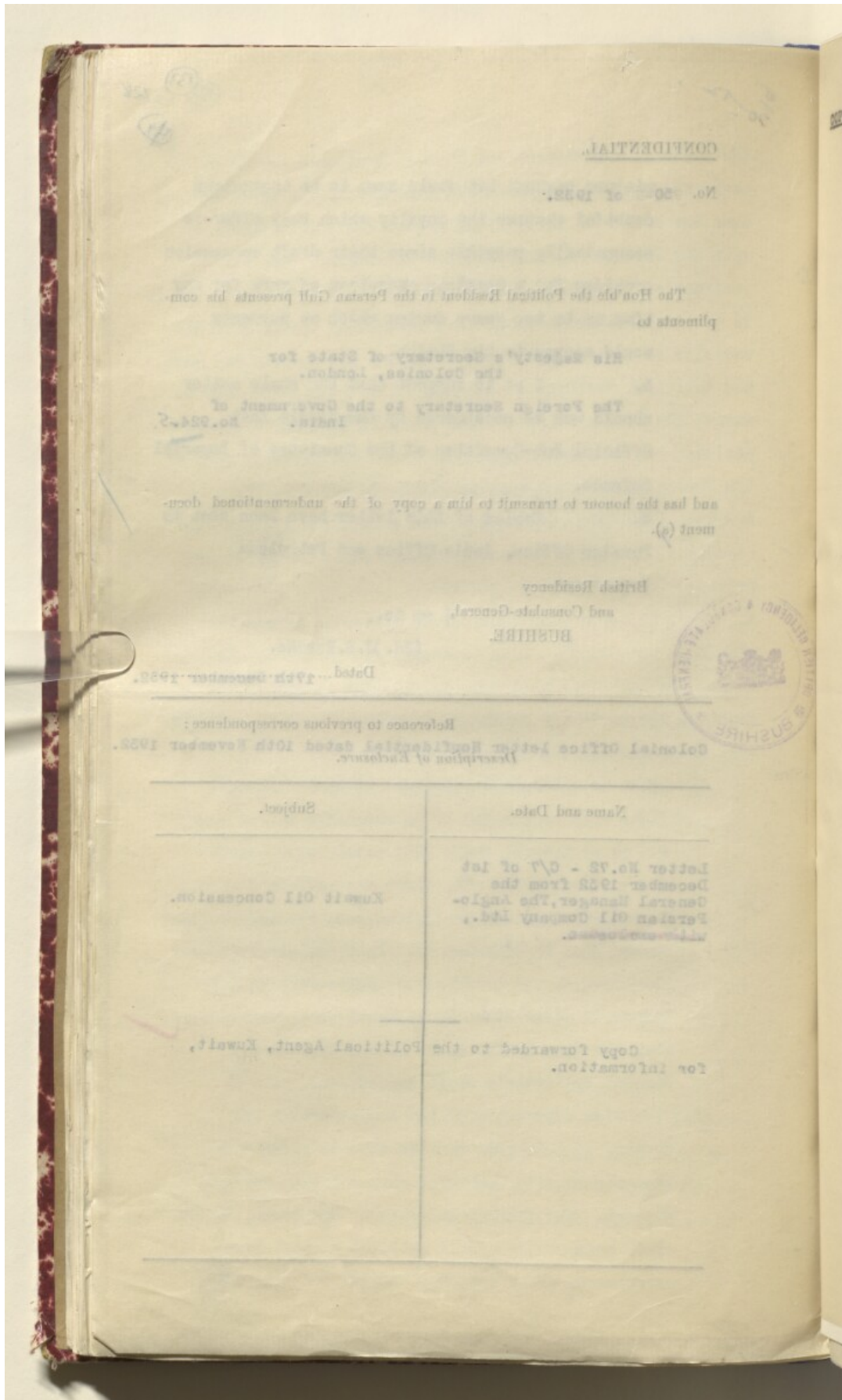
and has the honour to transmit to him a copy of the undermentioned document (s).

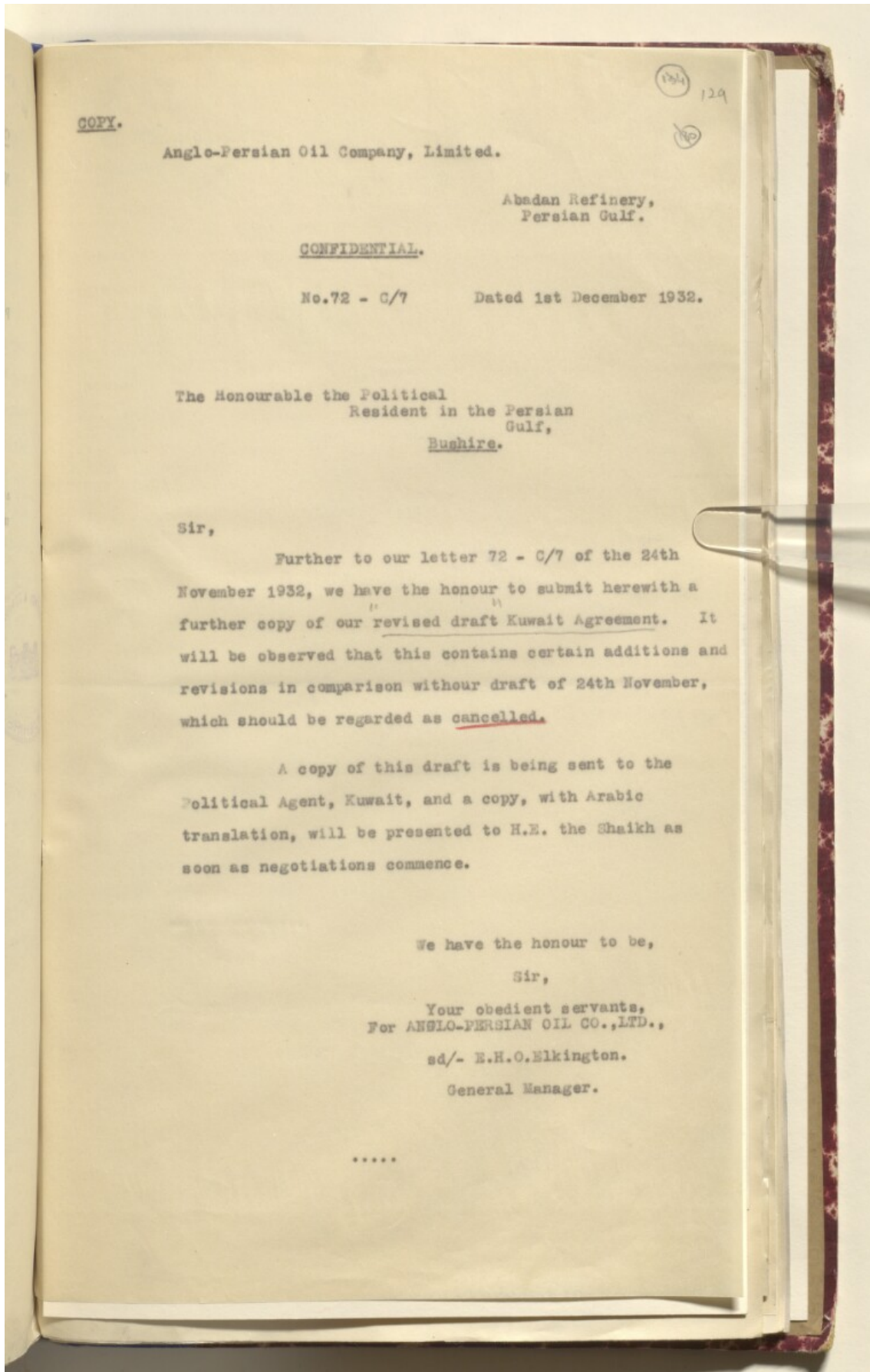
British Residency
and Consulate-General,
BUSHIRE.

Dated... 17th December 1932.

Reference to previous correspondence:
Colonial Office letter Confidential dated 10th November 1932.
Description of Enclosure.

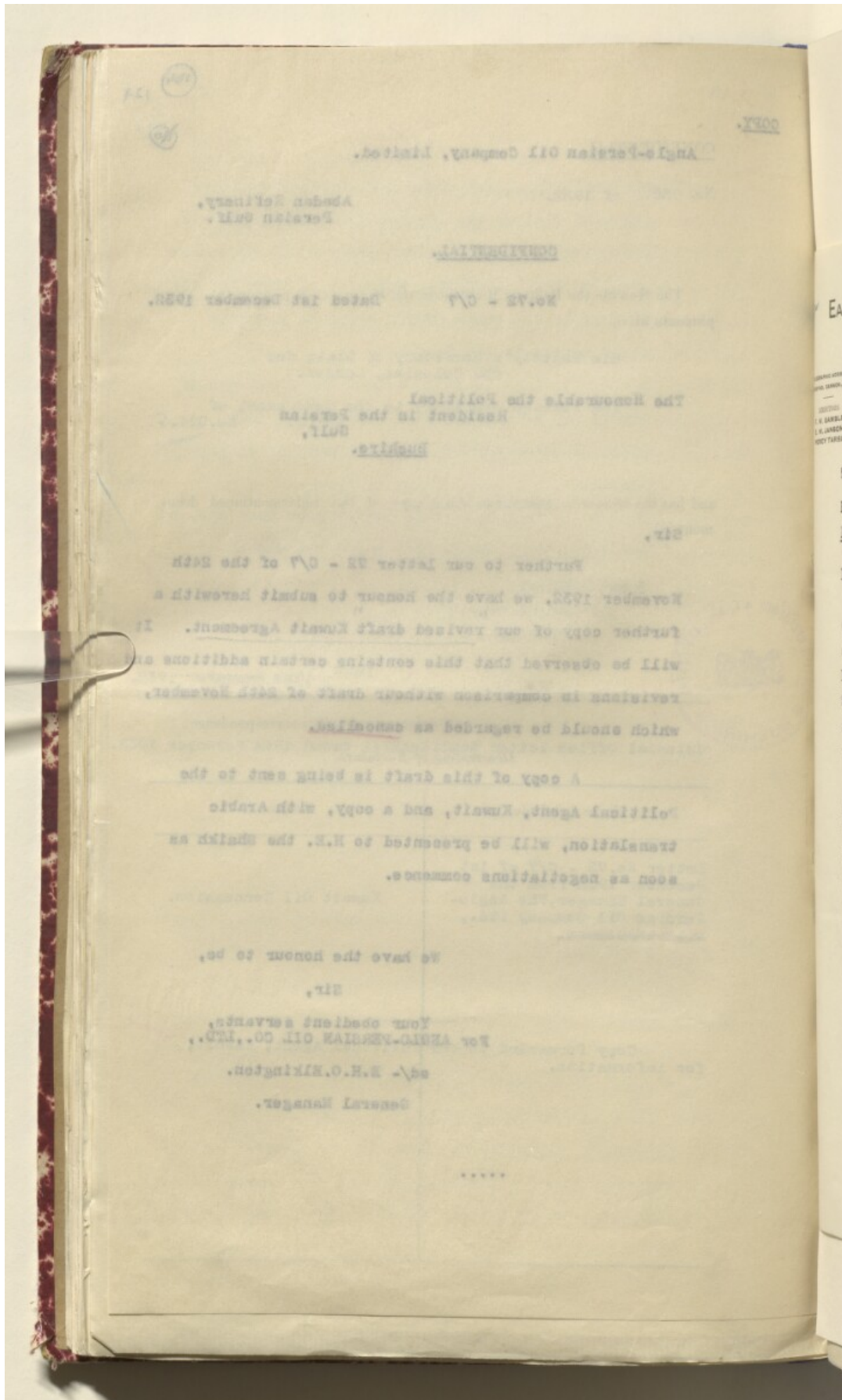
Name and Date.	Subject.
Letter No. 72 - G/7 of 1st December 1932 from the General Manager, The Anglo-Persian Oil Company Ltd., with enclosures.	Kuwait Oil Concession.
Copy forwarded to the Political Agent, Kuwait, for information.	

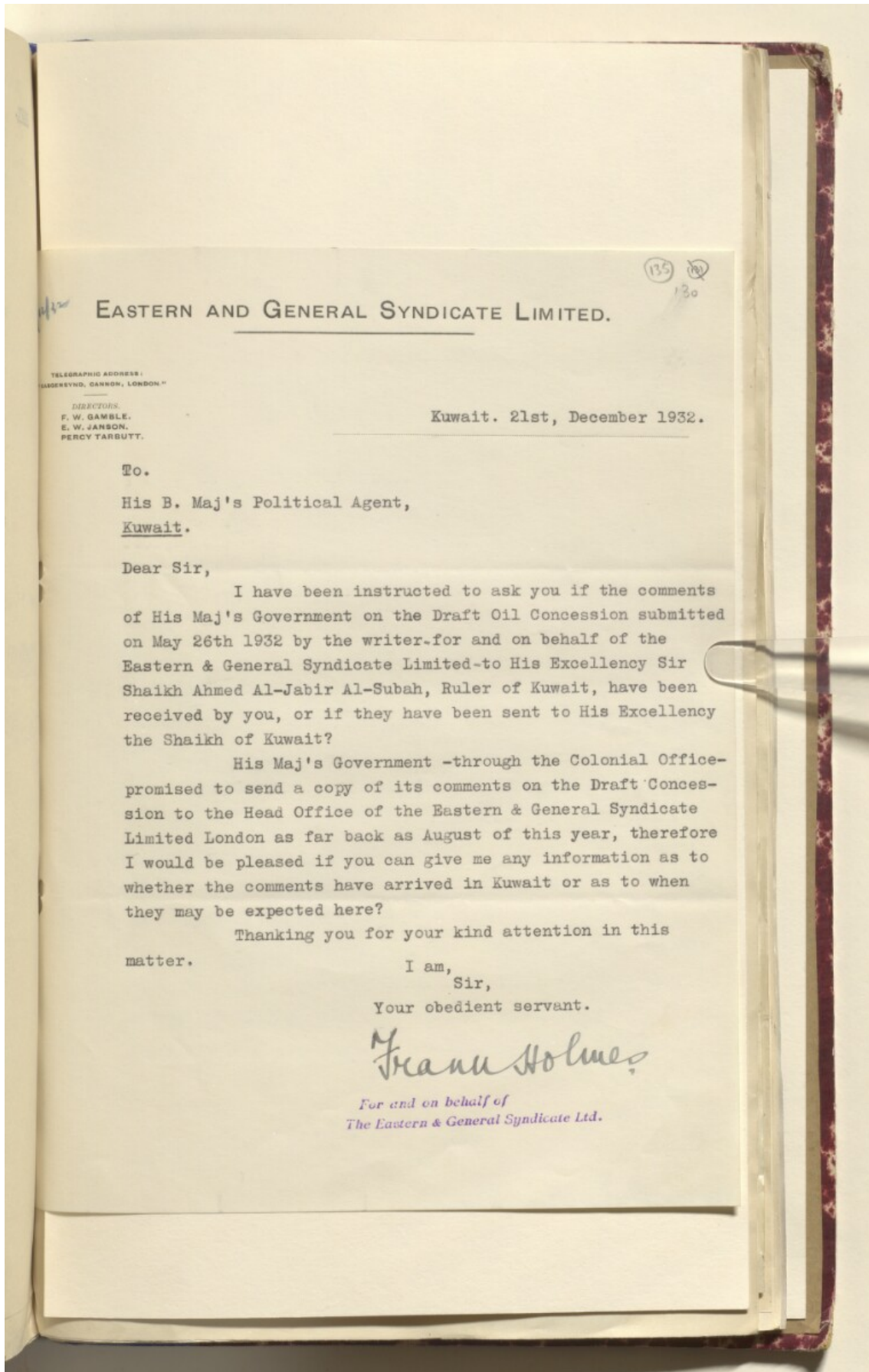






"ملف ٥ / ١٧ شركة نفط الكويت" [١٣٤ ظ] (٣٩٢/٢٧٣)





EASTERN AND GENERAL SYNDICATE LIMITED.

TELEGRAPHIC ADDRESS:
"GASSEYND, CANNON, LONDON."

DIRECTORS:
F. W. GAMBLE.
E. W. JANSON.
PERCY TARBUTT.

Kuwait. 21st, December 1932.

To.

His B. Maj's Political Agent,
Kuwait.

Dear Sir,

I have been instructed to ask you if the comments of His Maj's Government on the Draft Oil Concession submitted on May 26th 1932 by the writer-for and on behalf of the Eastern & General Syndicate Limited-to His Excellency Sir Shaikh Ahmed Al-Jabir Al-Subah, Ruler of Kuwait, have been received by you, or if they have been sent to His Excellency the Shaikh of Kuwait?

His Maj's Government -through the Colonial Office- promised to send a copy of its comments on the Draft Concession to the Head Office of the Eastern & General Syndicate Limited London as far back as August of this year, therefore I would be pleased if you can give me any information as to whether the comments have arrived in Kuwait or as to when they may be expected here?

Thanking you for your kind attention in this matter.

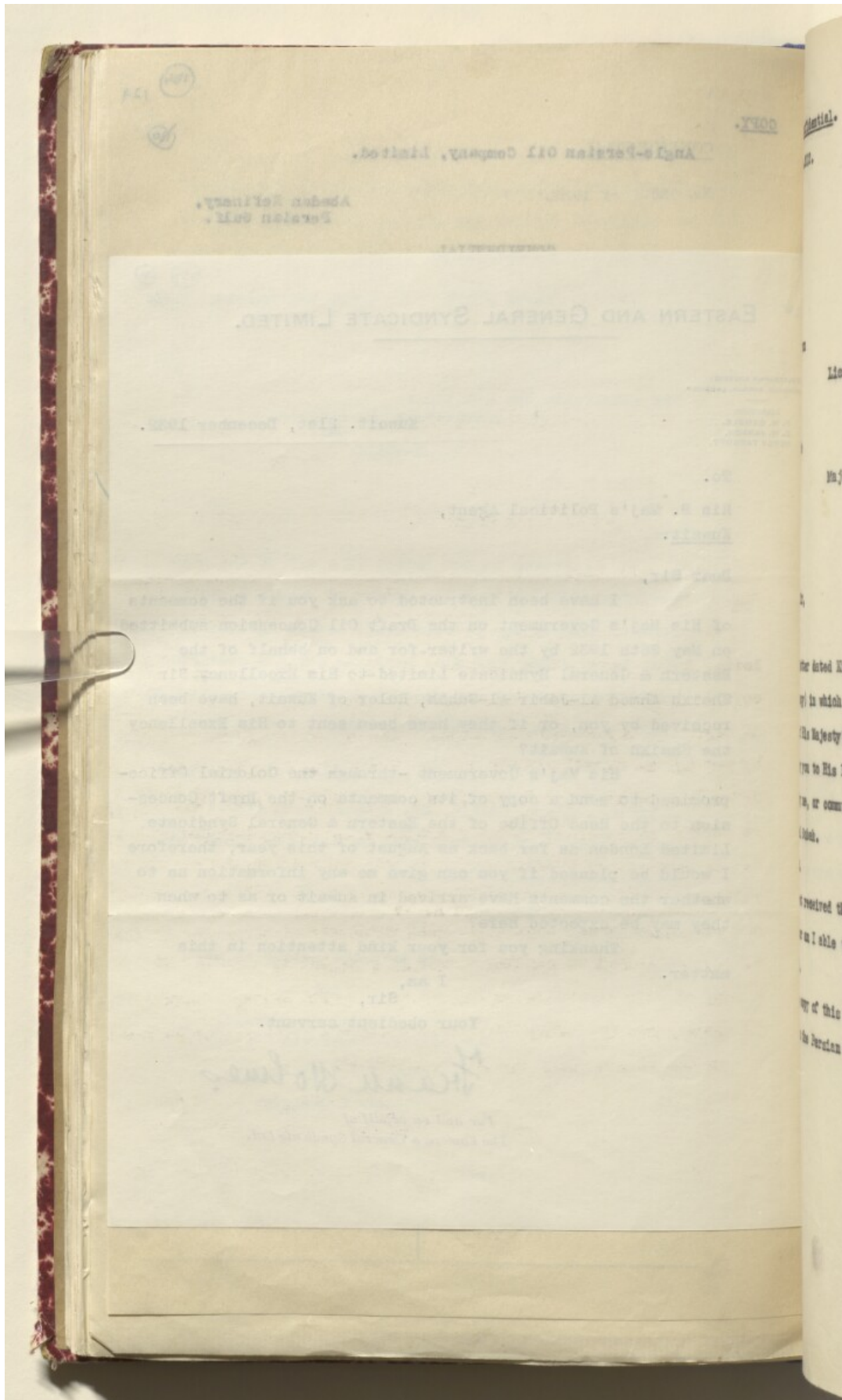
I am,

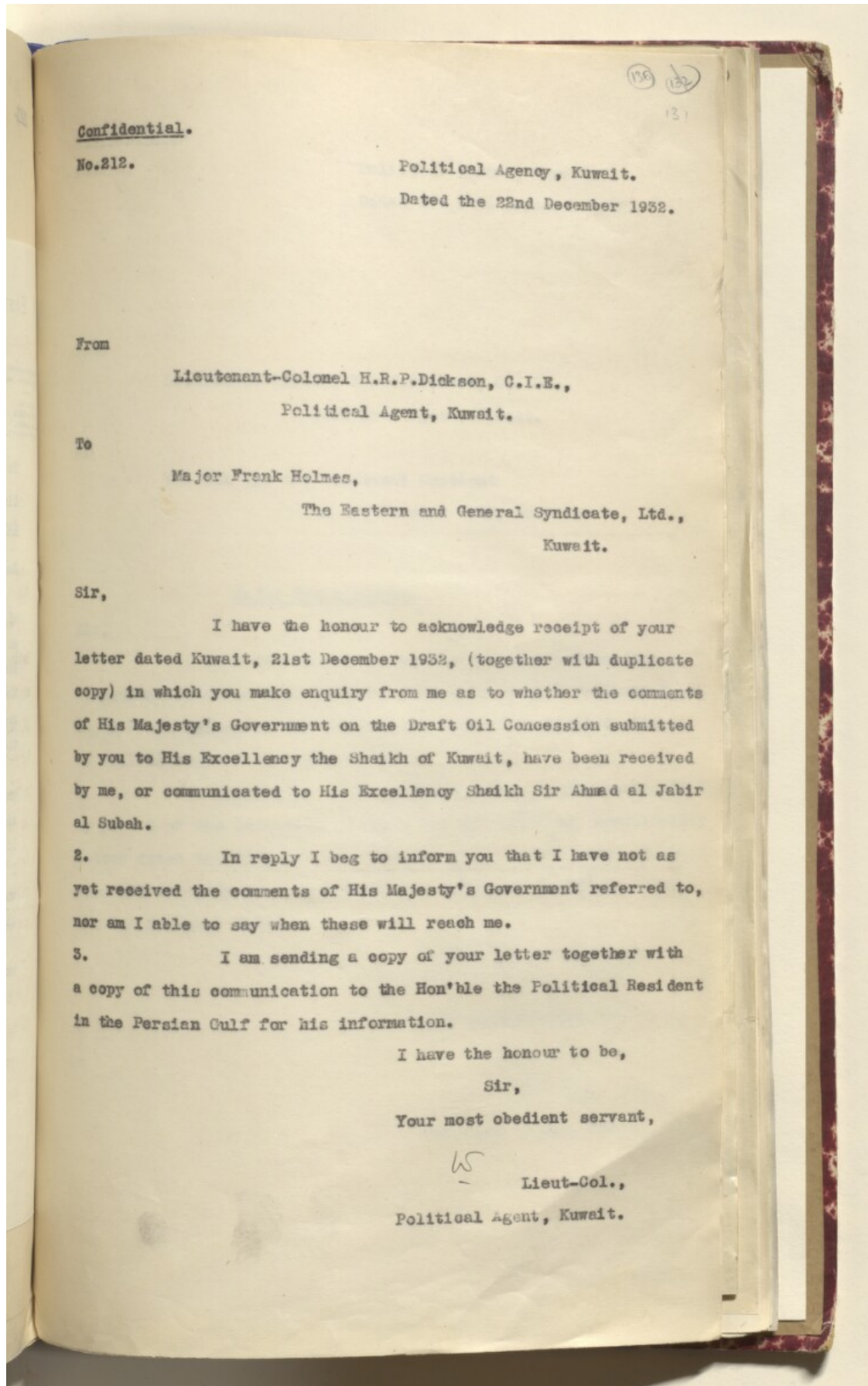
Sir,

Your obedient servant.

Frank Holmes

For and on behalf of
The Eastern & General Syndicate Ltd.





Confidential.

No. 212.

Political Agency, Kuwait.

Dated the 22nd December 1932.

From

Lieutenant-Colonel H.R.P. Dickson, C.I.E.,

Political Agent, Kuwait.

To

Major Frank Holmes,

The Eastern and General Syndicate, Ltd.,

Kuwait.

Sir,

I have the honour to acknowledge receipt of your letter dated Kuwait, 21st December 1932, (together with duplicate copy) in which you make enquiry from me as to whether the comments of His Majesty's Government on the Draft Oil Concession submitted by you to His Excellency the Shaikh of Kuwait, have been received by me, or communicated to His Excellency Shaikh Sir Ahmad al Jabir al Subah.

2. In reply I beg to inform you that I have not as yet received the comments of His Majesty's Government referred to, nor am I able to say when these will reach me.

3. I am sending a copy of your letter together with a copy of this communication to the Hon'ble the Political Resident in the Persian Gulf for his information.

I have the honour to be,

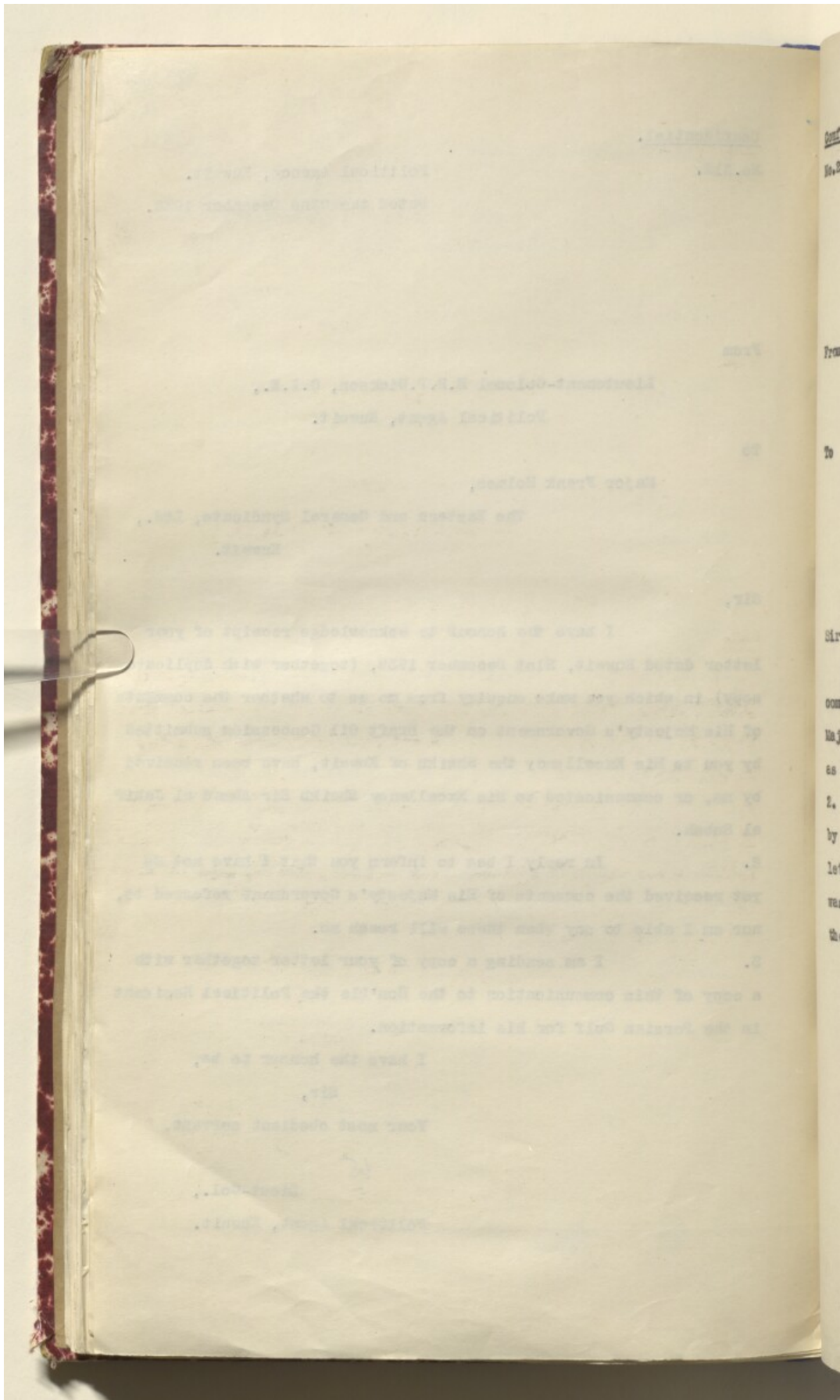
Sir,

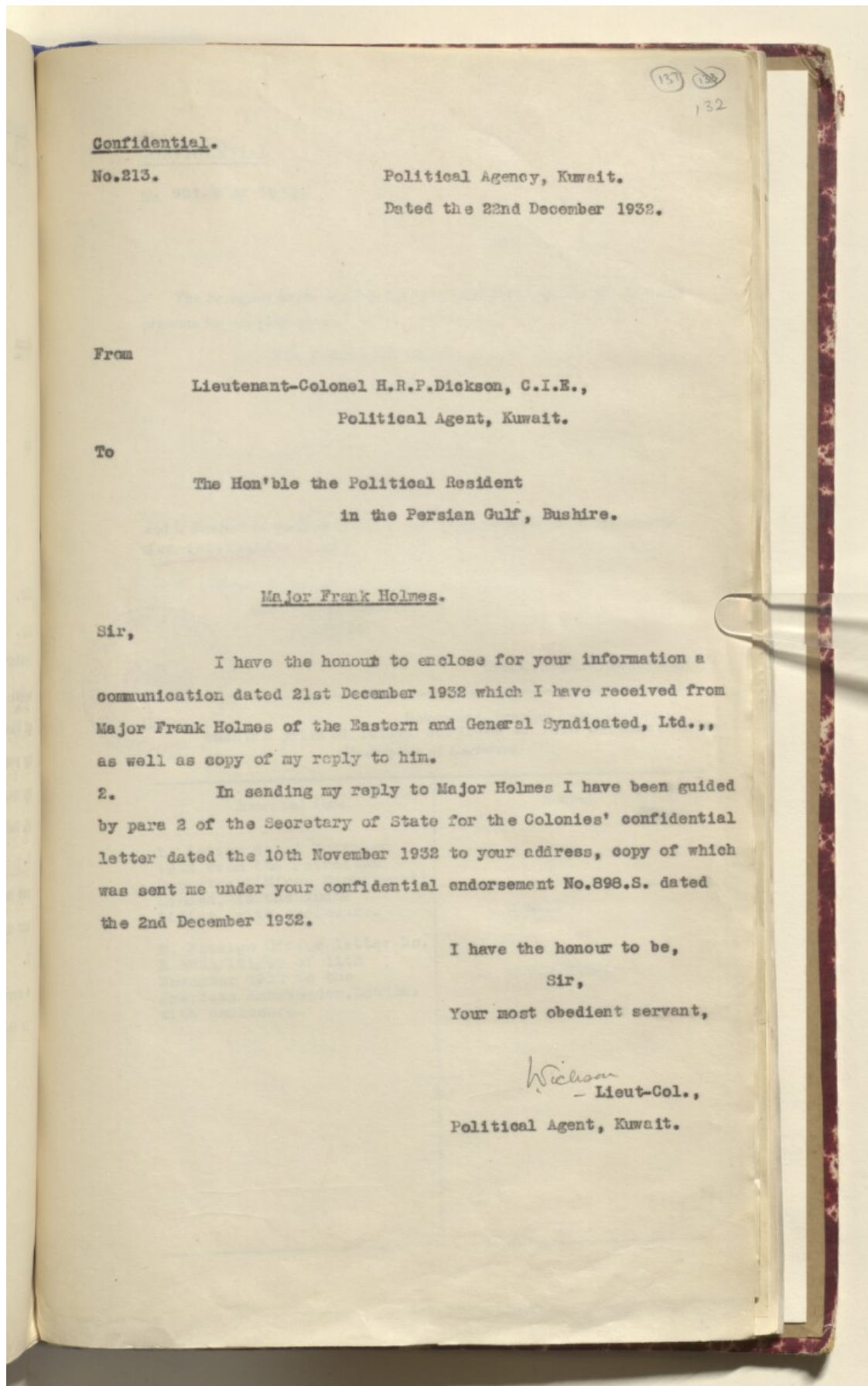
Your most obedient servant,

LS

Lieut.-Col.,

Political Agent, Kuwait.





Confidential.

No. 213.

Political Agency, Kuwait.

Dated the 22nd December 1932.

From

Lieutenant-Colonel H.R.P. Dickson, C.I.E.,
Political Agent, Kuwait.

To

The Hon'ble the Political Resident
in the Persian Gulf, Bushire.

Major Frank Holmes.

Sir,

I have the honour to enclose for your information a communication dated 21st December 1932 which I have received from Major Frank Holmes of the Eastern and General Syndicated, Ltd.,, as well as copy of my reply to him.

2. In sending my reply to Major Holmes I have been guided by para 2 of the Secretary of State for the Colonies' confidential letter dated the 10th November 1932 to your address, copy of which was sent me under your confidential endorsement No. 898.S. dated the 2nd December 1932.

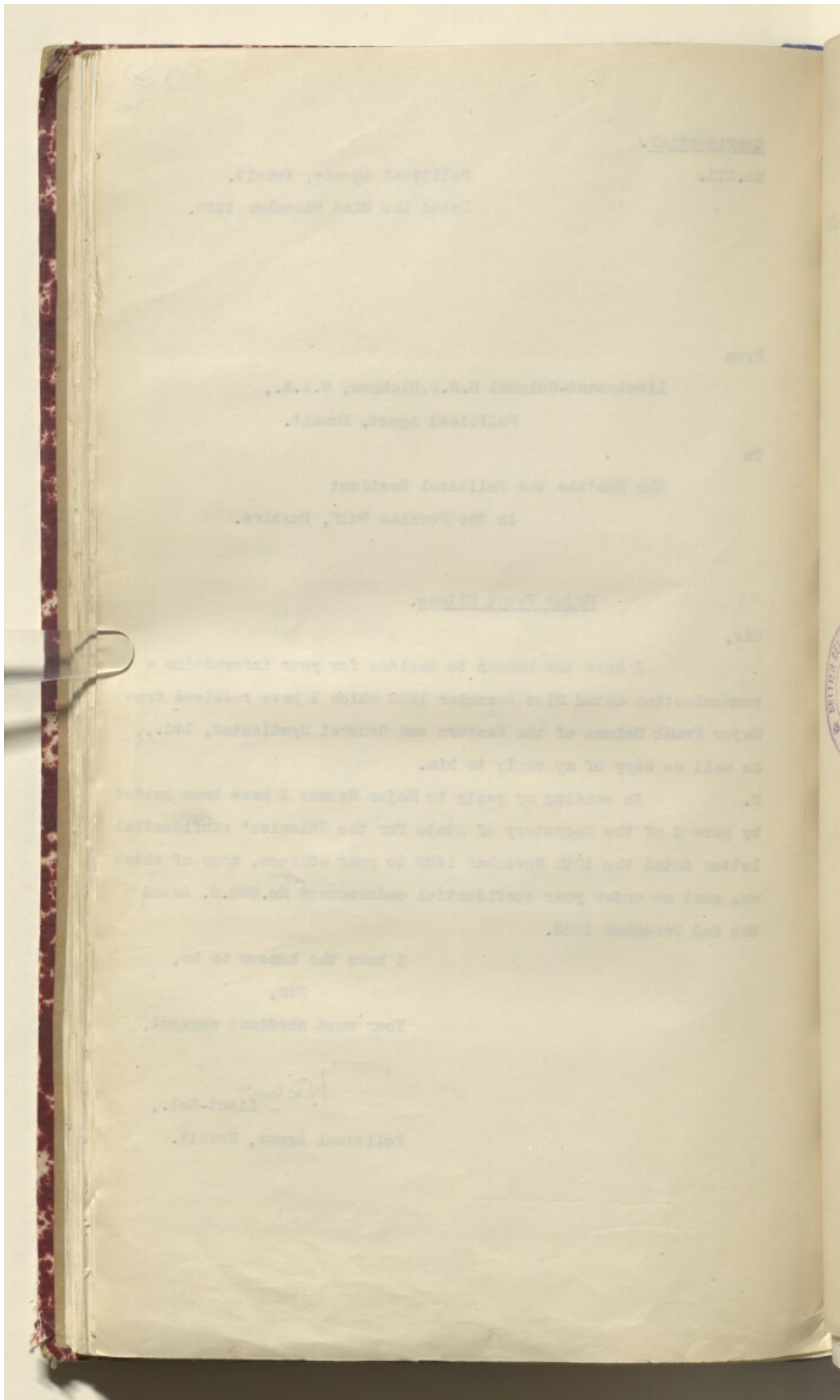
I have the honour to be,

Sir,

Your most obedient servant,

H. R. P. Dickson

Lieut-Col.,
Political Agent, Kuwait.





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133

CONFIDENTIAL.

No. 951-S of 1932.

2.2.6759/32.

The Secretary to the Hon'ble the Political Resident in the Persian Gulf
presents his compliments to

The Political Agent,
Kuwait,

Sir,

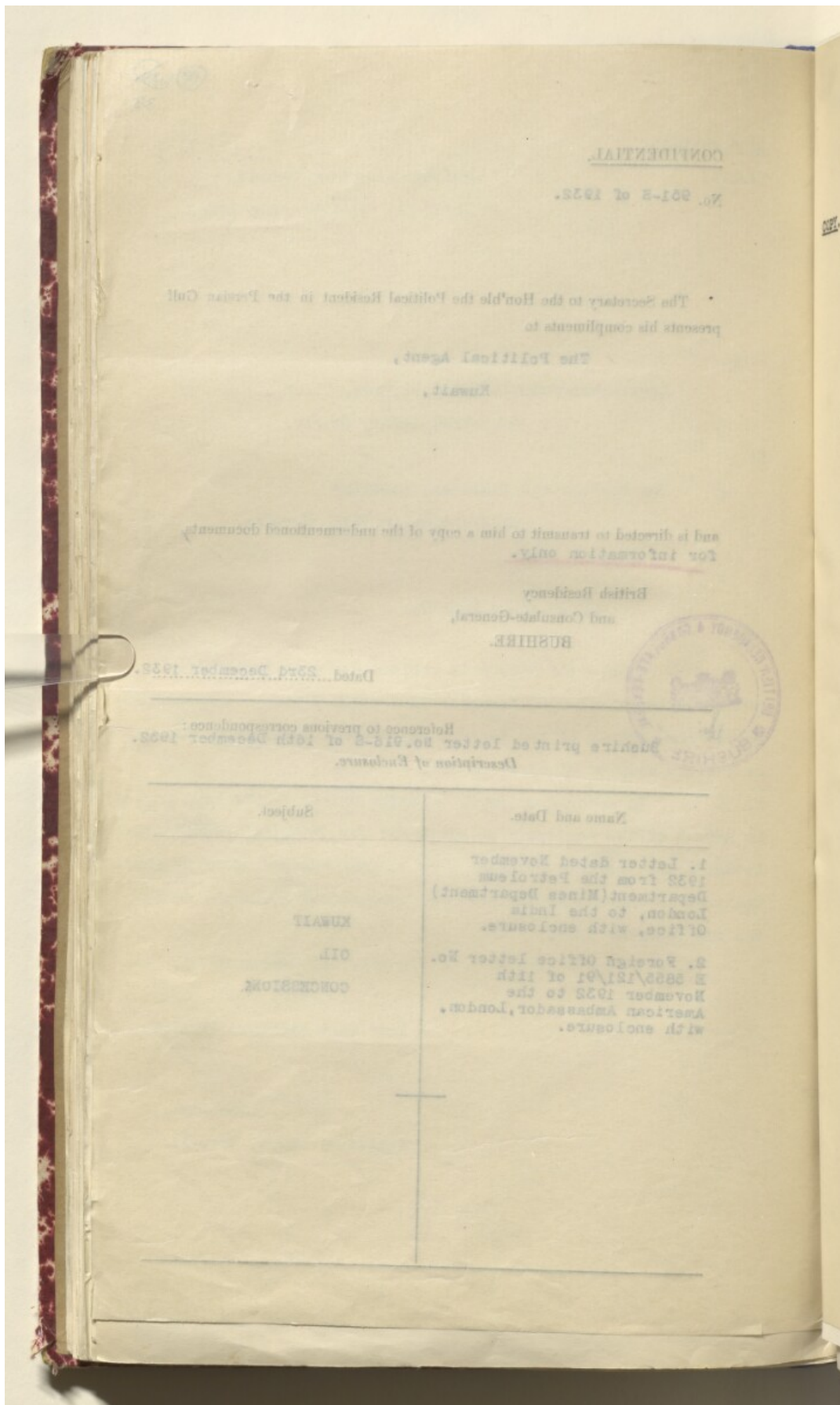
I am directed by the Secretary of State for India
to enclose, for the information of the Secretary of State for
India, and is directed to transmit to him a copy of the undermentioned documents,
for information only.

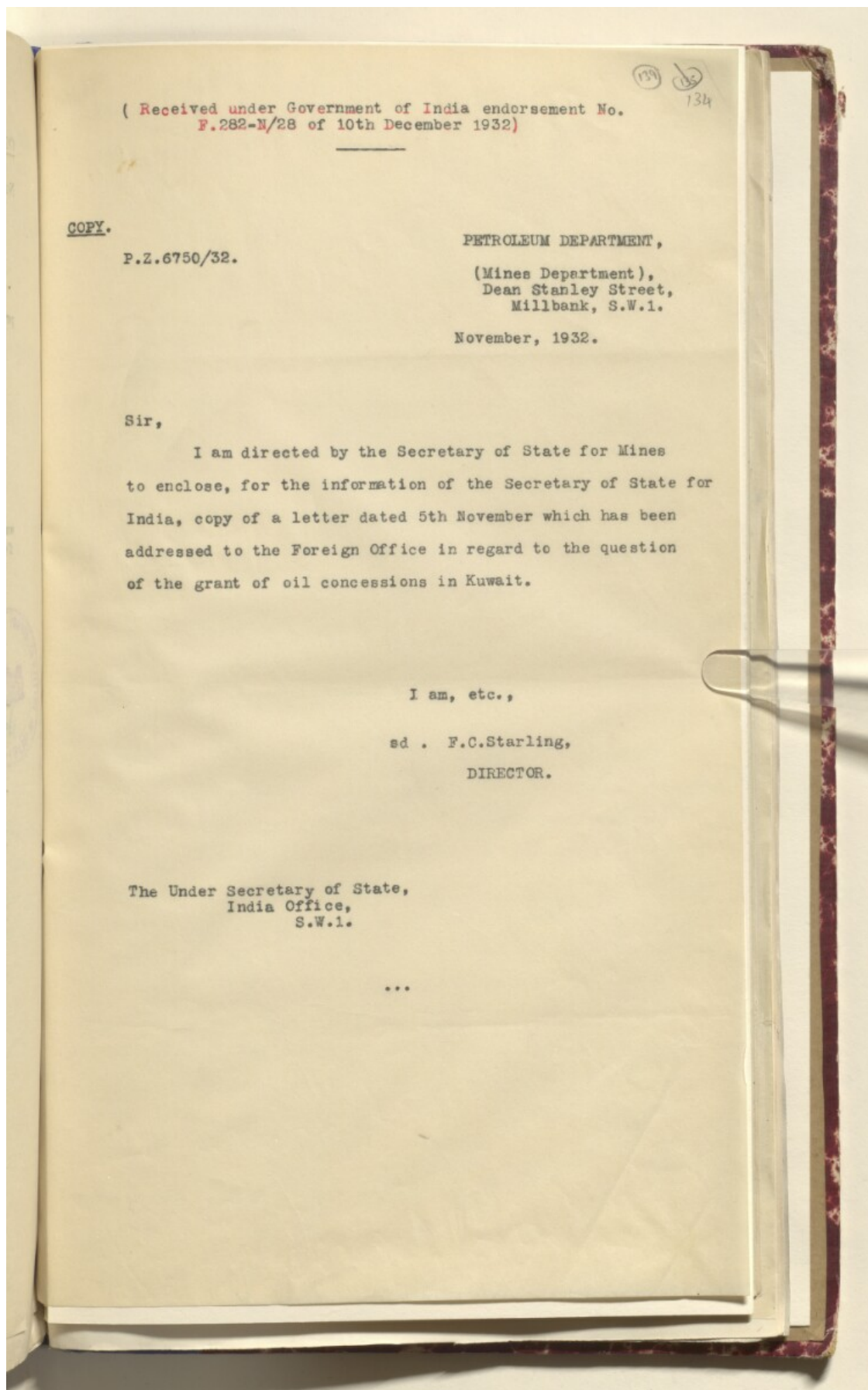
British Residency
and Consulate-General,
BUSHIRE.

Dated...23rd December...1932.

Reference to previous correspondence :
Bushire printed letter No.916-S of 16th December 1932.
Description of Enclosure.

Name and Date.	Subject.
1. Letter dated November 1932 from the Petroleum Department (Mines Department) London, to the India Office, with enclosure.	KUWAIT
2. Foreign Office letter No. E 5855/121/91 of 11th November 1932 to the American Ambassador, London, with enclosure.	OIL CONCESSIONS.





(Received under Government of India endorsement No.
F.282-N/28 of 10th December 1932)

COPY.

P.Z.6750/32.

PETROLEUM DEPARTMENT,
(Mines Department),
Dean Stanley Street,
Millbank, S.W.1.

November, 1932.

Sir,

I am directed by the Secretary of State for Mines
to enclose, for the information of the Secretary of State for
India, copy of a letter dated 5th November which has been
addressed to the Foreign Office in regard to the question
of the grant of oil concessions in Kuwait.

I am, etc.,

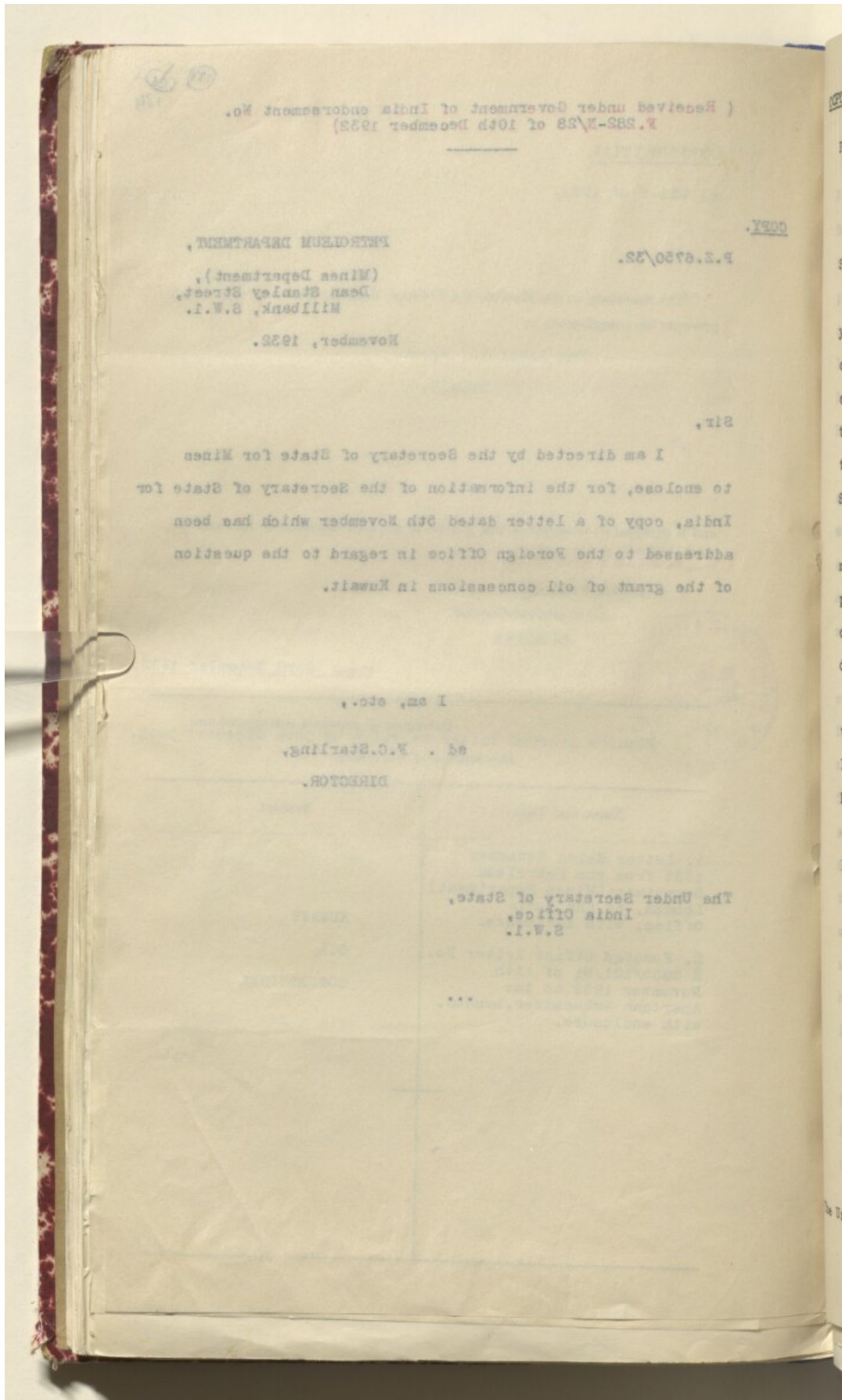
sd . F.C.Starling,
DIRECTOR.

The Under Secretary of State,
India Office,
S.W.1.

...



"ملف ٥ / ١٧ شركة نفط الكويت" [١٣٩٦ ظ] (٣٩٢/٢٨٣)





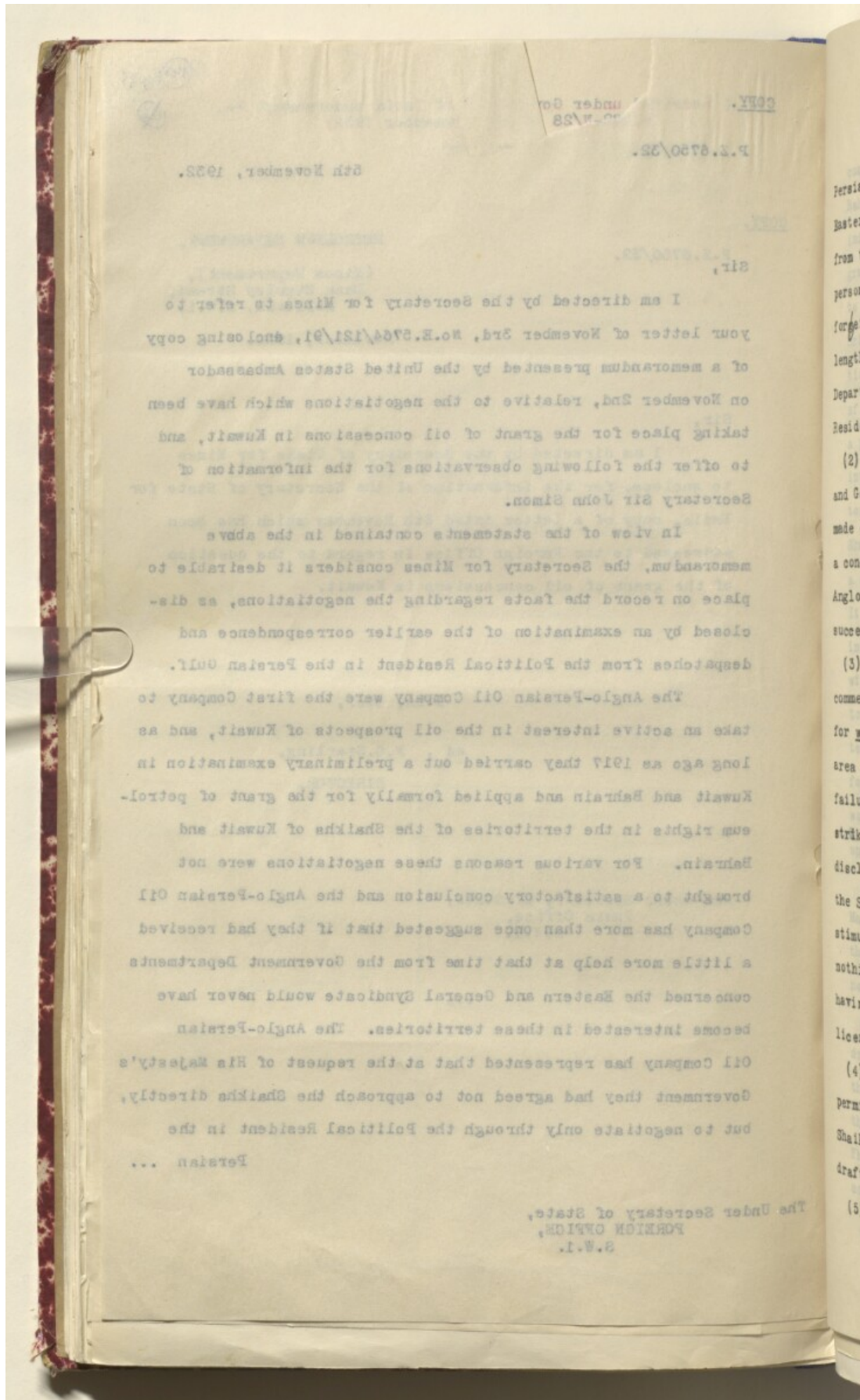
COPY.

P.Z.6750/32.

5th November, 1932.

Persian Gulf. Major Malet, Secretary of the Eastern and General Syndicate, advised me that Sir, the Shaikhs of Bahrain and Kuwait, who were personally I am directed by the Secretary for Mines to refer to your letter of November 3rd, No.E.5764/121/91, enclosing copy of a memorandum presented by the United States Ambassador on November 2nd, relative to the negotiations which have been taking place for the grant of oil concessions in Kuwait, and to offer the following observations for the information of Secretary Sir John Simon. (It was then purely a British Company) In view of the statements contained in the above-mentioned memorandum, the Secretary for Mines considers it desirable to place on record the facts regarding the negotiations, as disclosed by an examination of the earlier correspondence and despatches from the Political Resident in the Persian Gulf. The Anglo-Persian Oil Company were the first Company to take an active interest in the oil prospects of Kuwait, and as long ago as 1917 they carried out a preliminary examination in Kuwait and Bahrain and applied formally for the grant of petroleum rights in the territories of the Shaikhs of Kuwait and Bahrain. For various reasons these negotiations were not brought to a satisfactory conclusion and the Anglo-Persian Oil Company has more than once suggested that if they had received a little more help at that time from the Government Departments concerned the Eastern and General Syndicate would never have become interested in these territories. The Anglo-Persian Oil Company has represented that at the request of His Majesty's Government they had agreed not to approach the Shaikhs directly, but to negotiate only through the Political Resident in the Persian Gulf.

(5) In November, 1932, it was realized that the point The Under Secretary of State, FOREIGN OFFICE, S.W.1. concerning





-2-

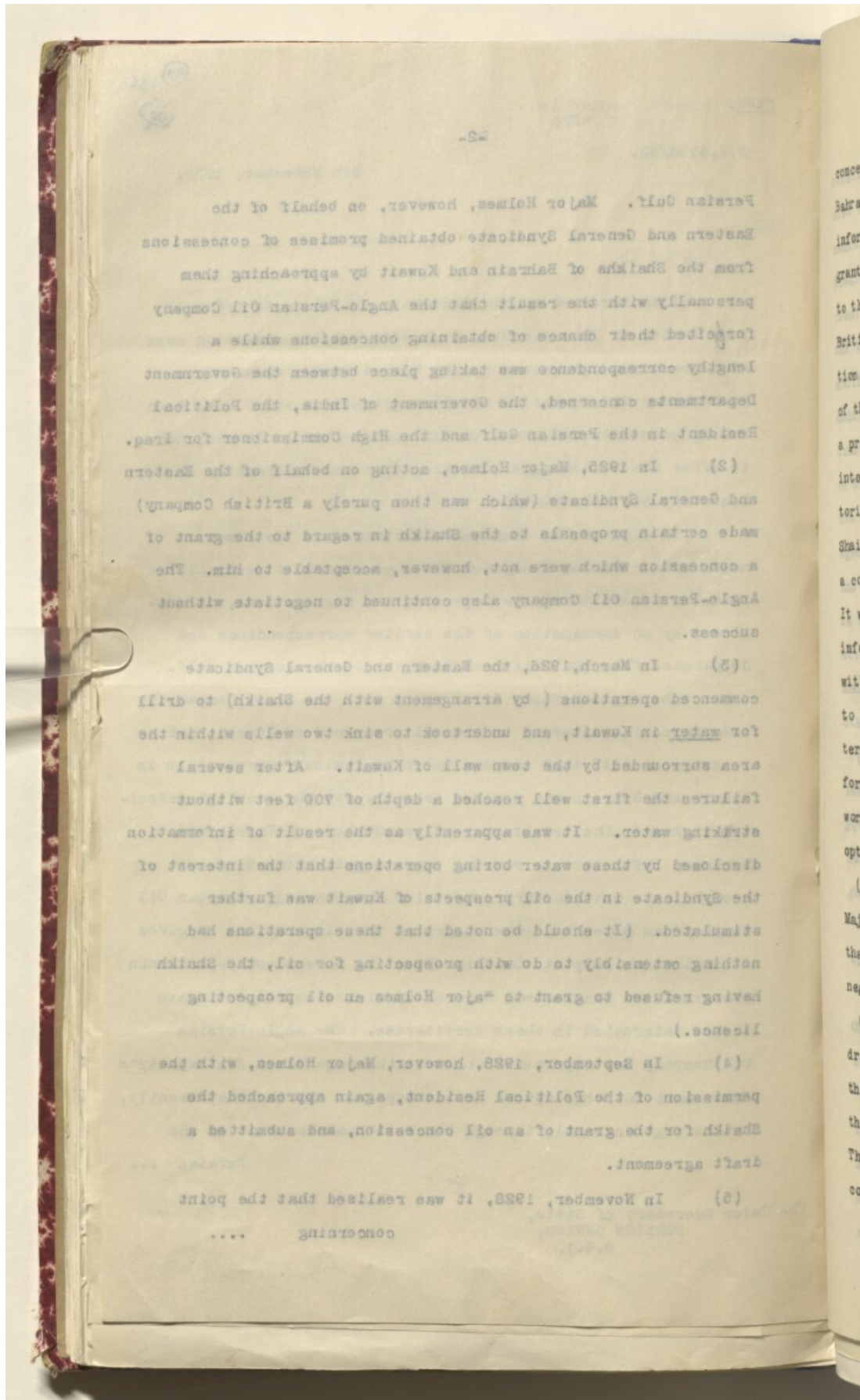
concerning a British Company, which was based in the Persian Gulf. Major Holmes, however, on behalf of the Bahrain Concessions Eastern and General Syndicate obtained promises of concessions from the Shaikhs of Bahrain and Kuwait by approaching them personally with the result that the Anglo-Persian Oil Company forfeited their chance of obtaining concessions while a lengthy correspondence was taking place between the Government Departments concerned, the Government of India, the Political Resident in the Persian Gulf and the High Commissioner for Iraq.

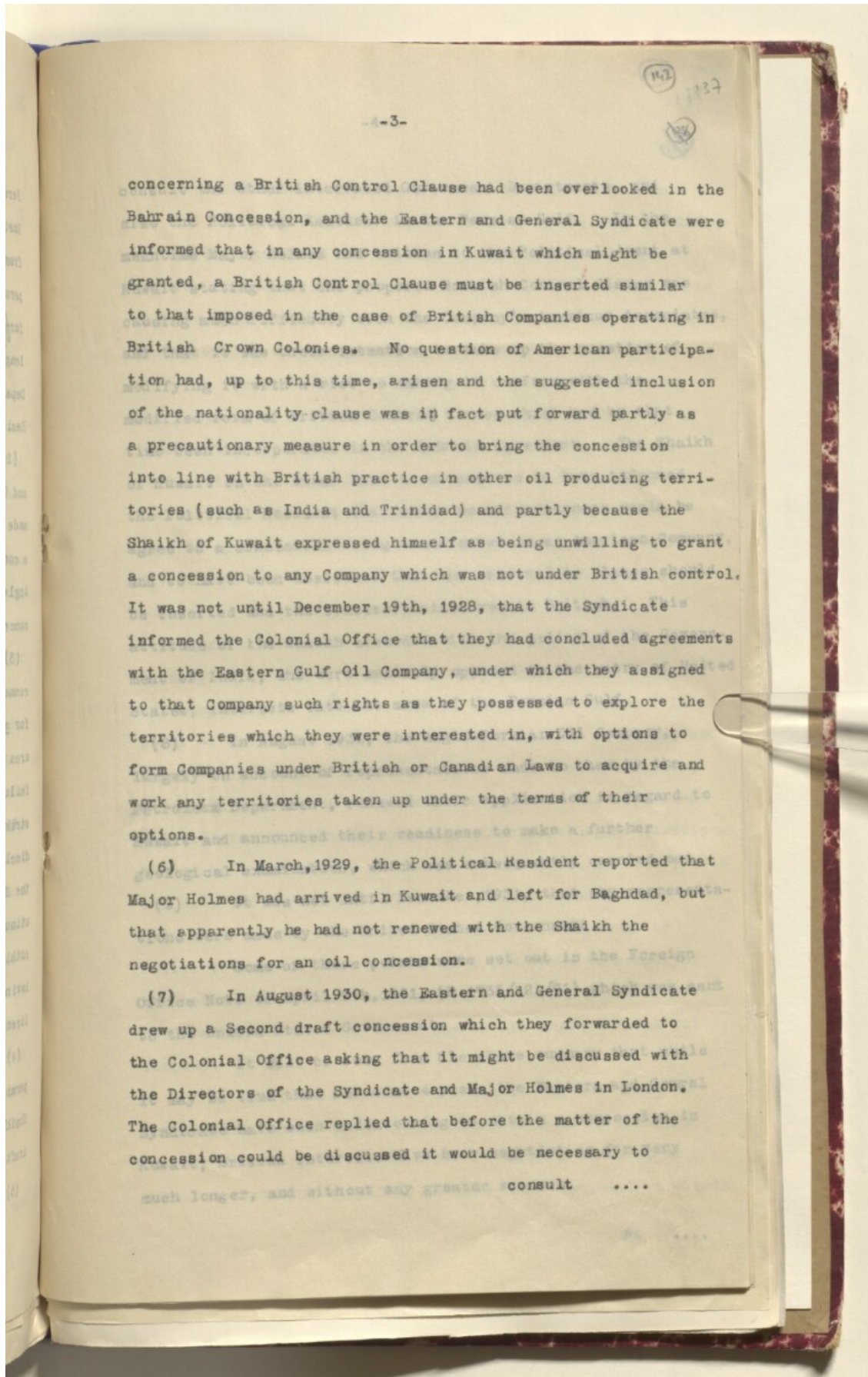
(2) In 1925, Major Holmes, acting on behalf of the Eastern and General Syndicate (which was then purely a British Company) made certain proposals to the Shaikh in regard to the grant of a concession which were not, however, acceptable to him. The Anglo-Persian Oil Company also continued to negotiate without success.

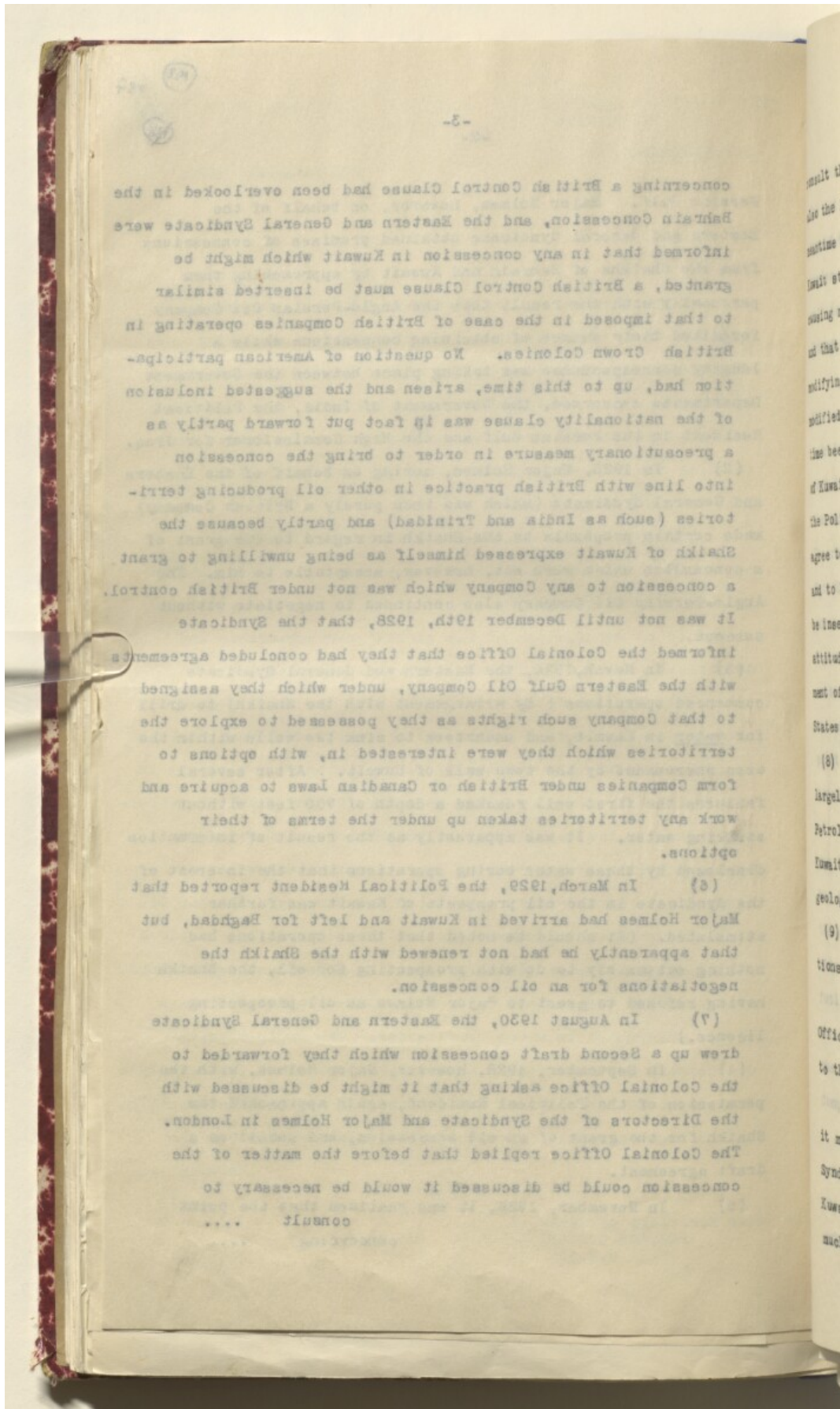
(3) In March, 1926, the Eastern and General Syndicate commenced operations (by arrangement with the Shaikh) to drill for water in Kuwait, and undertook to sink two wells within the area surrounded by the town wall of Kuwait. After several failures the first well reached a depth of 700 feet without striking water. It was apparently as the result of information disclosed by these water boring operations that the interest of the Syndicate in the oil prospects of Kuwait was further stimulated. (It should be noted that these operations had nothing ostensibly to do with prospecting for oil, the Shaikh having refused to grant to Major Holmes an oil prospecting licence.)

(4) In September, 1928, however, Major Holmes, with the permission of the Political Resident, again approached the Shaikh for the grant of an oil concession, and submitted a draft agreement.

(5) In November, 1928, it was realised that the point concerning









-4-

consult the other interested Government Departments, and also the Political Resident in the Persian Gulf. In the meantime Major Holmes had written to the Political Agent at Kuwait stating that the proposed British Control Clause was causing much difficulty with the Company's American Associates, and that it was their intention to take up the question of modifying it with a view to making it conform with the modified form of British Control Clause which had by that time been incorporated in the Bahrain Agreement. The Shaikh of Kuwait on the other hand is understood to have informed the Political Resident that under no circumstances would he agree to a concession being transferred to an American Company, and to have been insistent that the nationality clause should be inserted and the concessionaires remain British. This attitude of the Shaikh accorded with the policy of the Government of India, who were entirely opposed to the entry of United States interests into the area of the Persian Gulf.

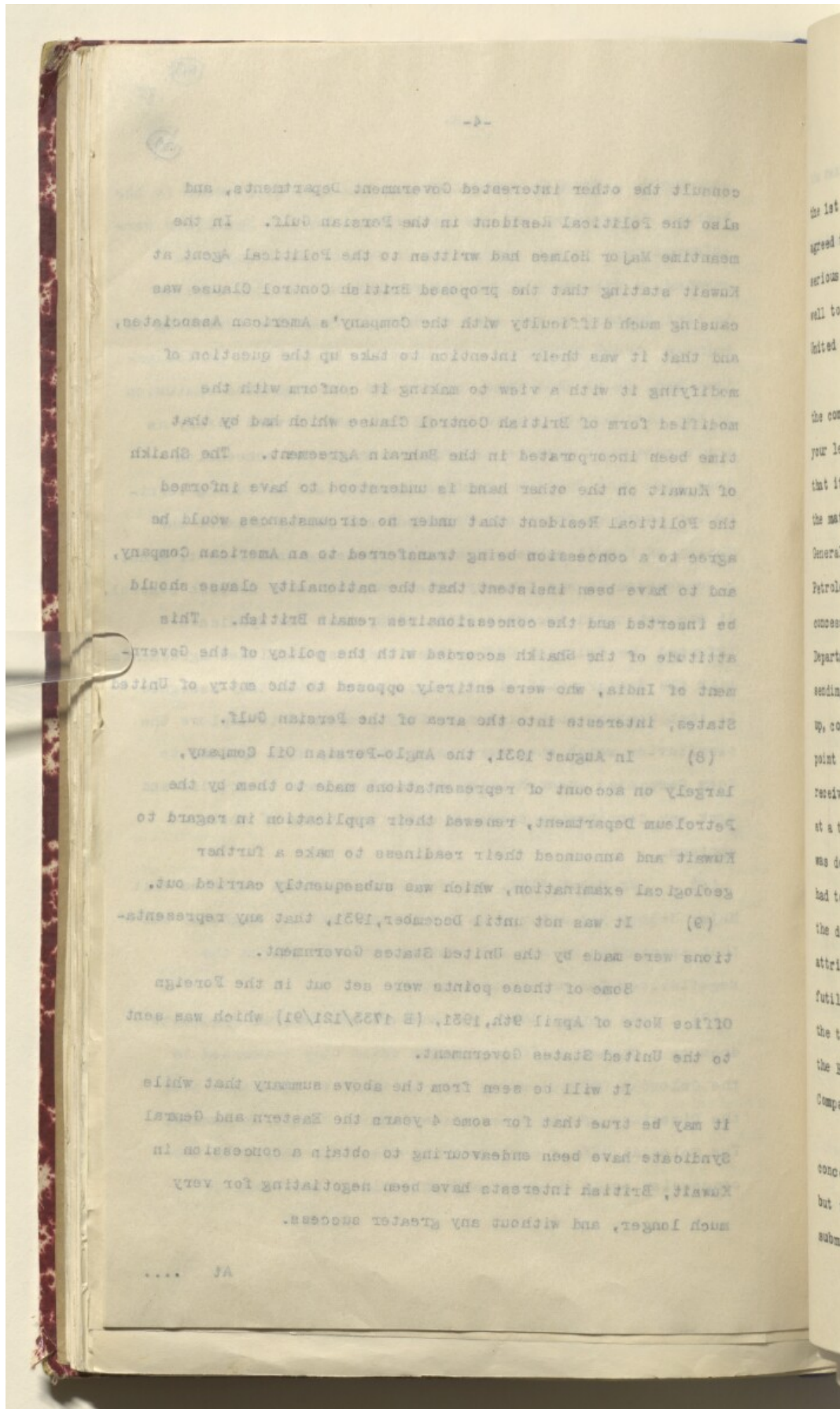
(8) In August 1931, the Anglo-Persian Oil Company, not largely on account of representations made to them by the Petroleum Department, renewed their application in regard to Kuwait and announced their readiness to make a further geological examination, which was subsequently carried out.

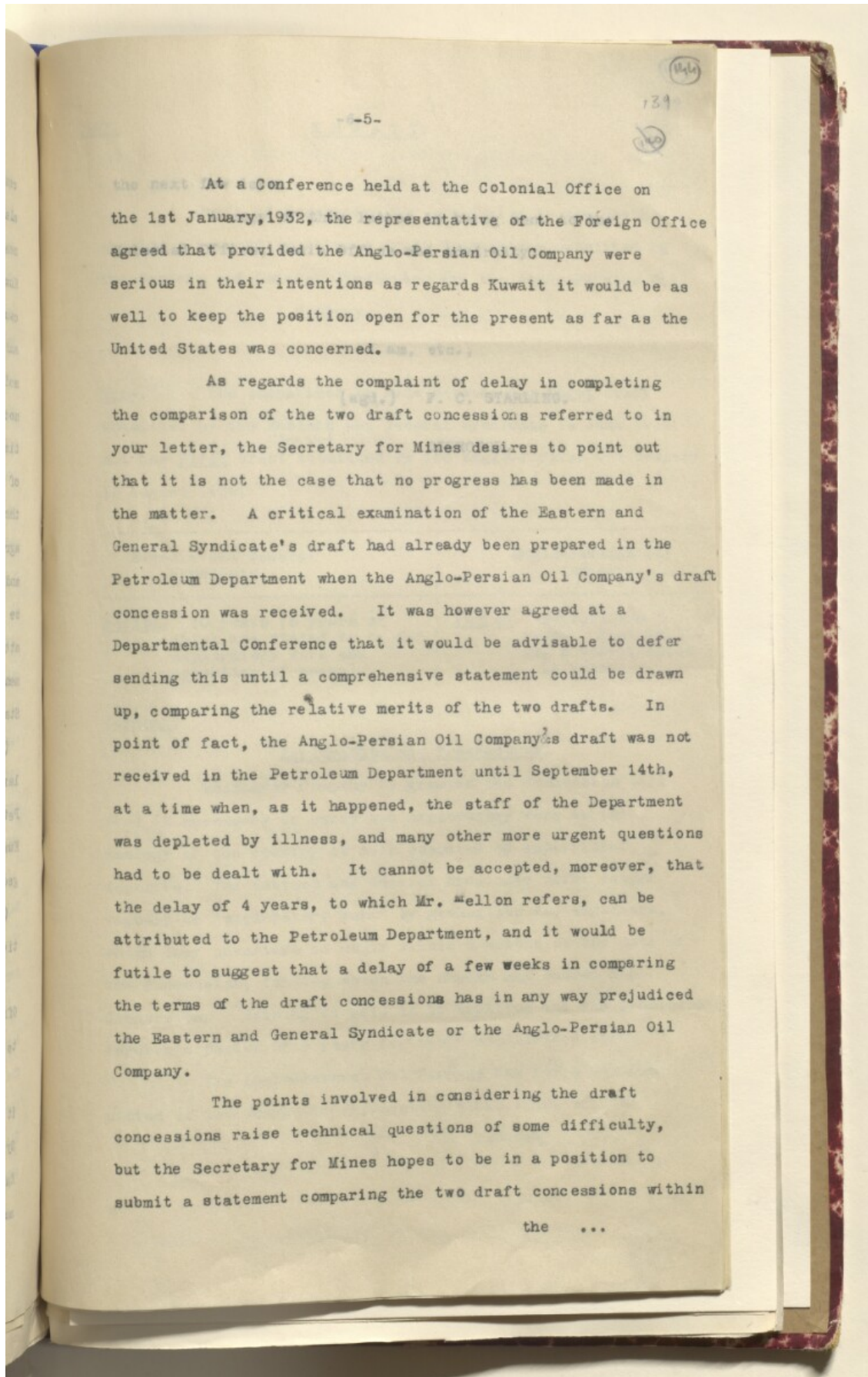
(9) It was not until December, 1931, that any representations were made by the United States Government.

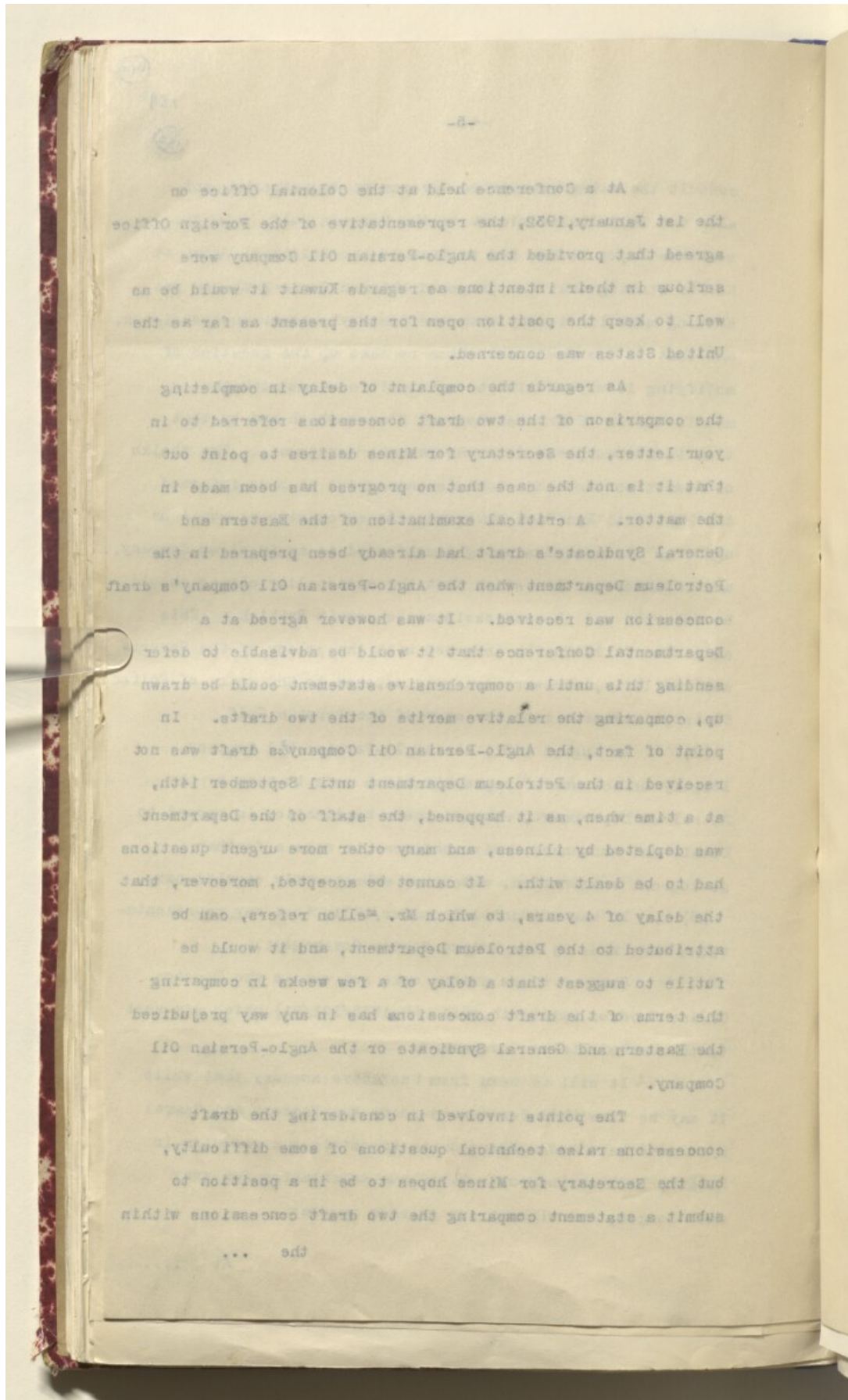
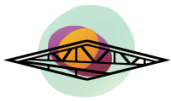
Some of these points were set out in the Foreign Office Note of April 9th, 1931, (E 1735/121/91) which was sent to the United States Government.

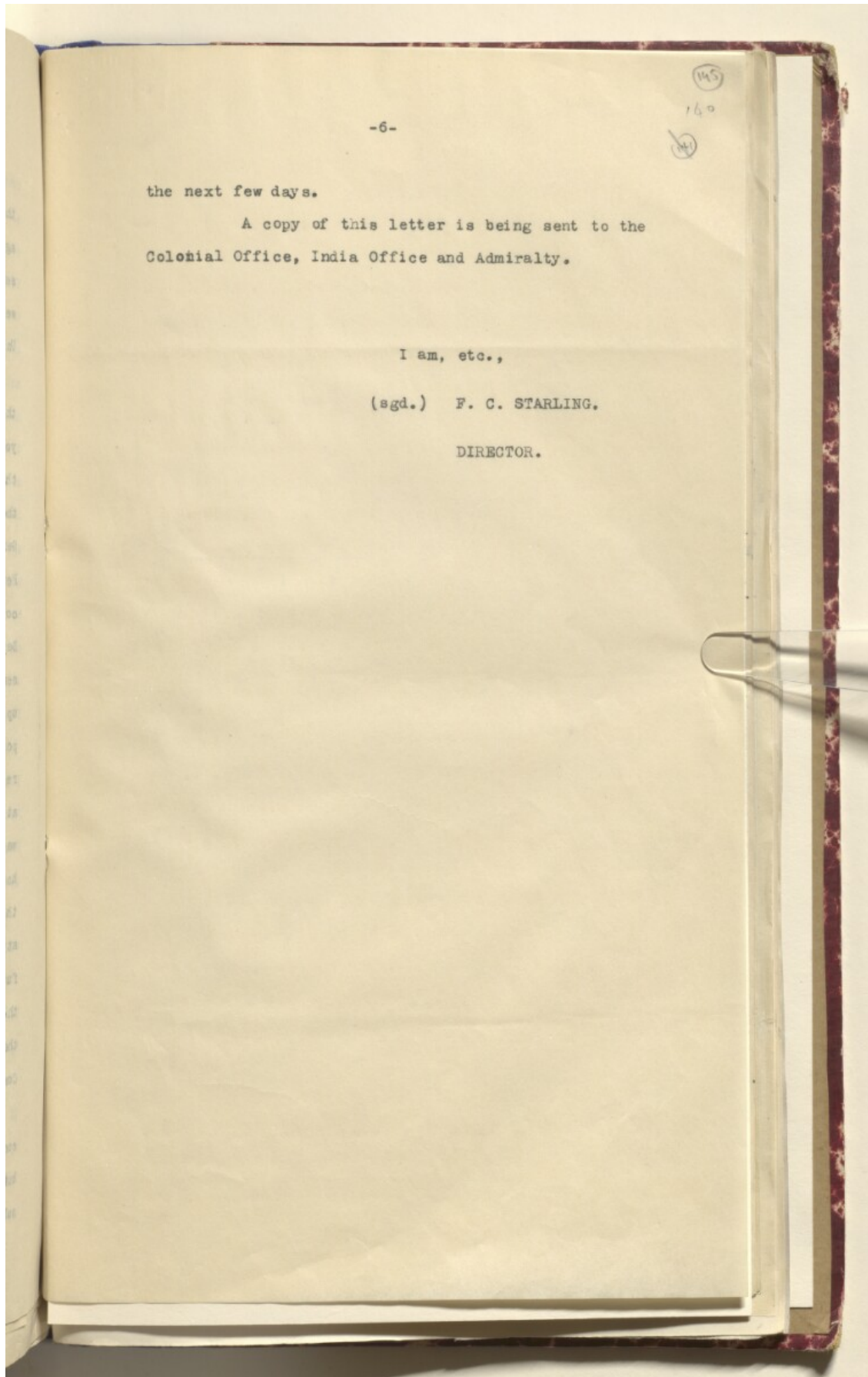
It will be seen from the above summary that while it may be true that for some 4 years the Eastern and General Syndicate have been endeavouring to obtain a concession in Kuwait, British interests have been negotiating for very much longer, and without any greater success.

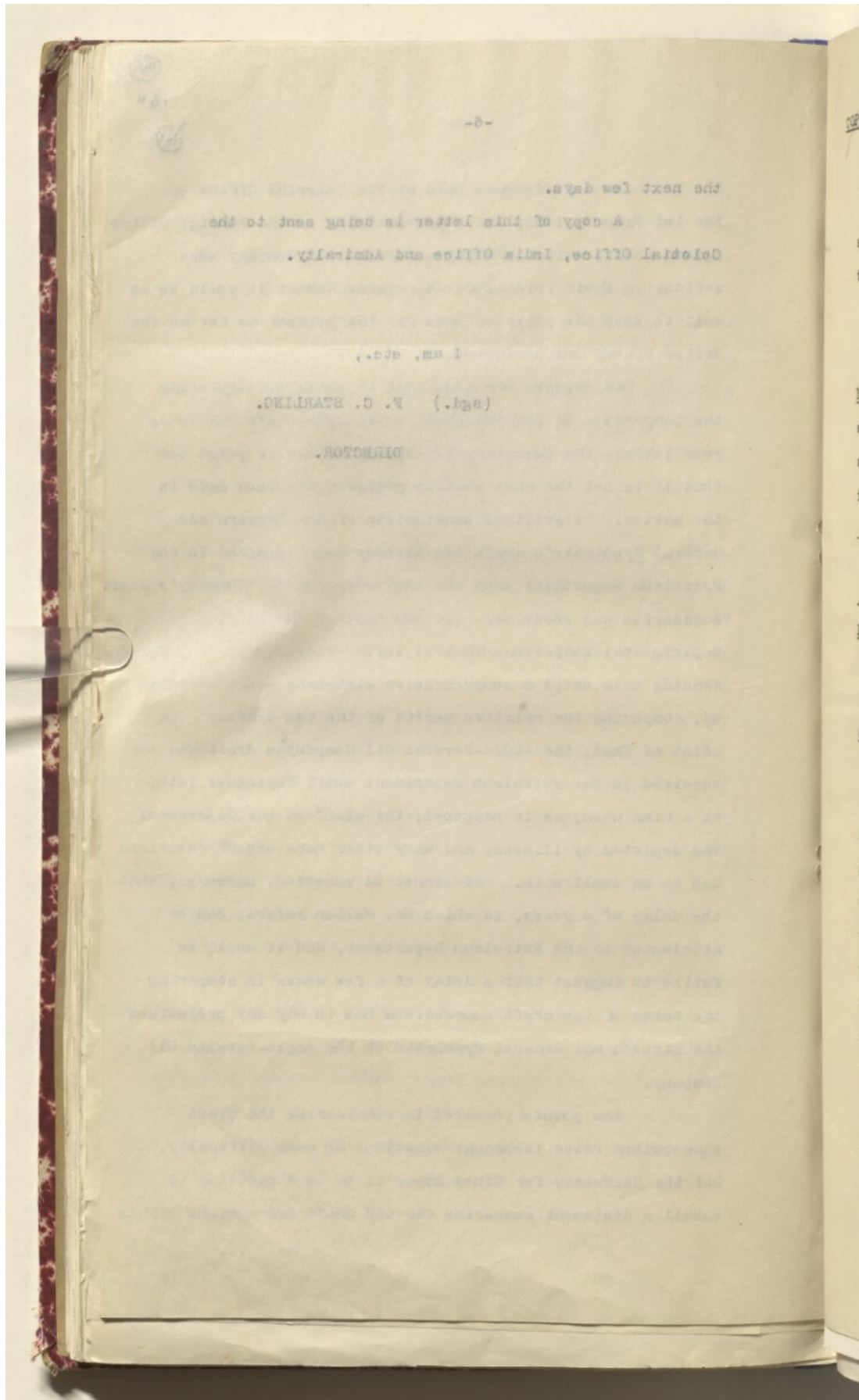
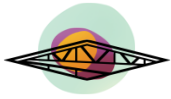
At

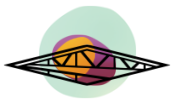












COPY.

KUWAIT.

Draft of Memorandum for submission to the Shaikh showing a comparison between draft Concessions submitted by the Eastern and General Syndicate, and the Anglo-Persian Oil Company.

Note. The comparison is made between the third draft submitted by the Eastern and General Syndicate in June 1932, and the first draft ^(Revised form) submitted by the Anglo-Persian Oil Company in August 1932.

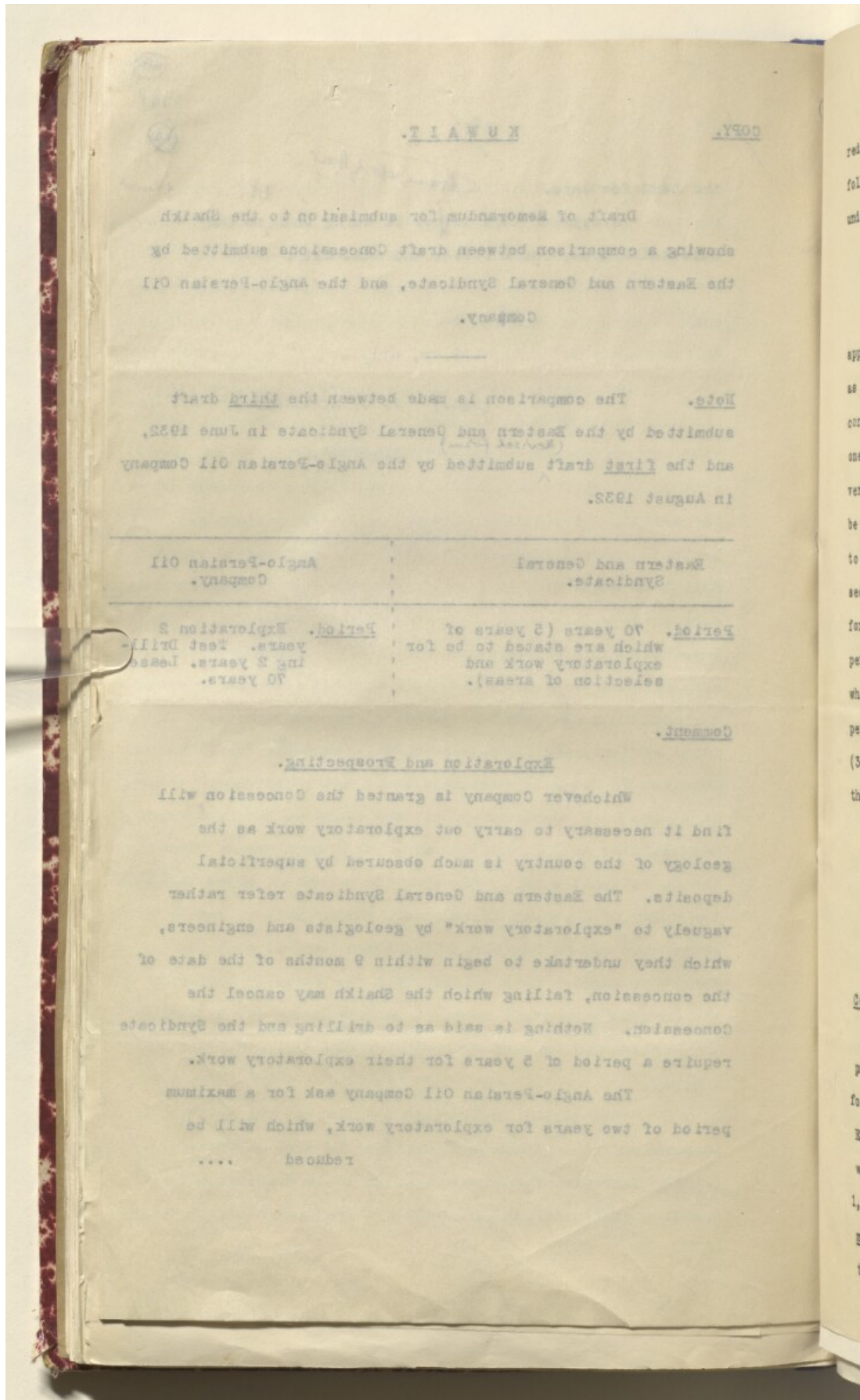
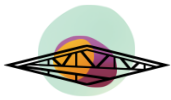
Eastern and General Syndicate.	Anglo-Persian Oil Company.
<u>Period.</u> 70 years (5 years of which are stated to be for exploratory work and selection of areas).	<u>Period.</u> Exploration 2 years. Test Drilling 2 years. Lease 70 years.

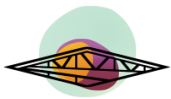
Comment.

Exploration and Prospecting.

Whichever Company is granted the Concession, will find it necessary to carry out exploratory work as the geology of the country is much obscured by superficial deposits. The Eastern and General Syndicate refer rather vaguely to "exploratory work" by geologists and engineers, which they undertake to begin within 9 months of the date of the concession, failing which the Shaikh may cancel the Concession. Nothing is said as to drilling and the Syndicate require a period of 5 years for their exploratory work.

The Anglo-Persian Oil Company ask for a maximum period of two years for exploratory work, which will be reduced





-2-

(147) (143)
162

reduced if they undertake drilling within that period, to be followed by a maximum period of two years, during which they undertake to drill at least 4,000 ft.

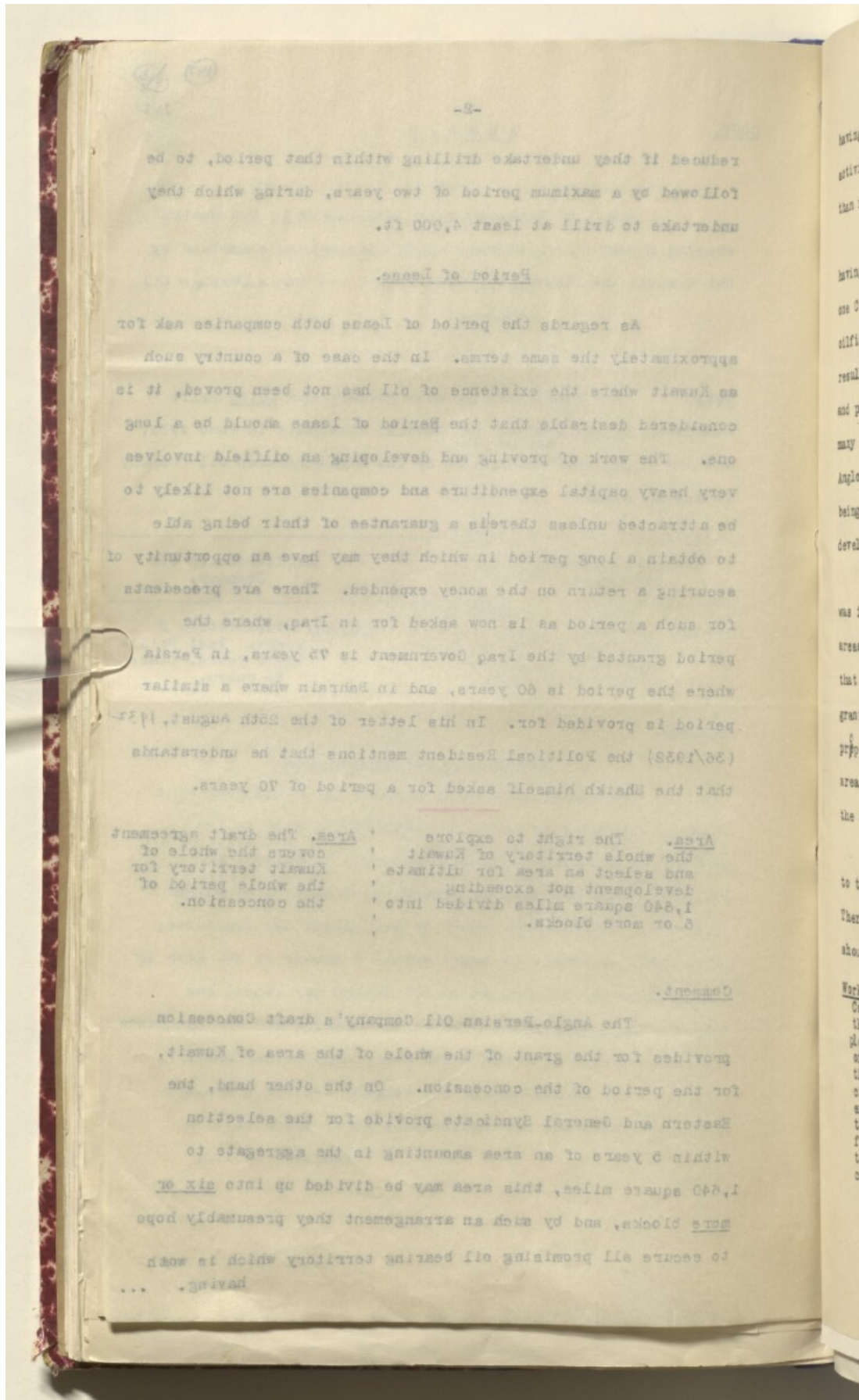
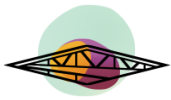
Period of Lease.

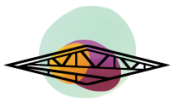
As regards the period of Lease both companies ask for approximately the same terms. In the case of a country such as Kuwait where the existence of oil has not been proved, it is considered desirable that the period of lease should be a long one. The work of proving and developing an oilfield involves very heavy capital expenditure and companies are not likely to be attracted unless there is a guarantee of their being able to obtain a long period in which they may have an opportunity of securing a return on the money expended. There are precedents for such a period as is now asked for in Iraq, where the period granted by the Iraq Government is 75 years, in Persia where the period is 60 years, and in Bahrain where a similar period is provided for. In his letter of the 25th August, 1932 (36/1932) the Political Resident mentions that he understands that the Shaikh himself asked for a period of 70 years.

<u>Area.</u> The right to explore the whole territory of Kuwait and select an area for ultimate development not exceeding 1,640 square miles divided into 6 or more blocks.	<u>Area.</u> The draft agreement covers the whole of Kuwait territory for the whole period of the concession.
---	---

Comment.

The Anglo-Persian Oil Company's draft Concession provides for the grant of the whole of the area of Kuwait, for the period of the concession. On the other hand, the Eastern and General Syndicate provide for the selection within 5 years of an area amounting in the aggregate to 1,640 square miles, this area may be divided up into six or more blocks, and by such an arrangement they presumably hope to secure all promising oil bearing territory which is worth having. ...





having. The value of their proposal to limit their activities to 1,640 square miles is, therefore, more apparent than real.

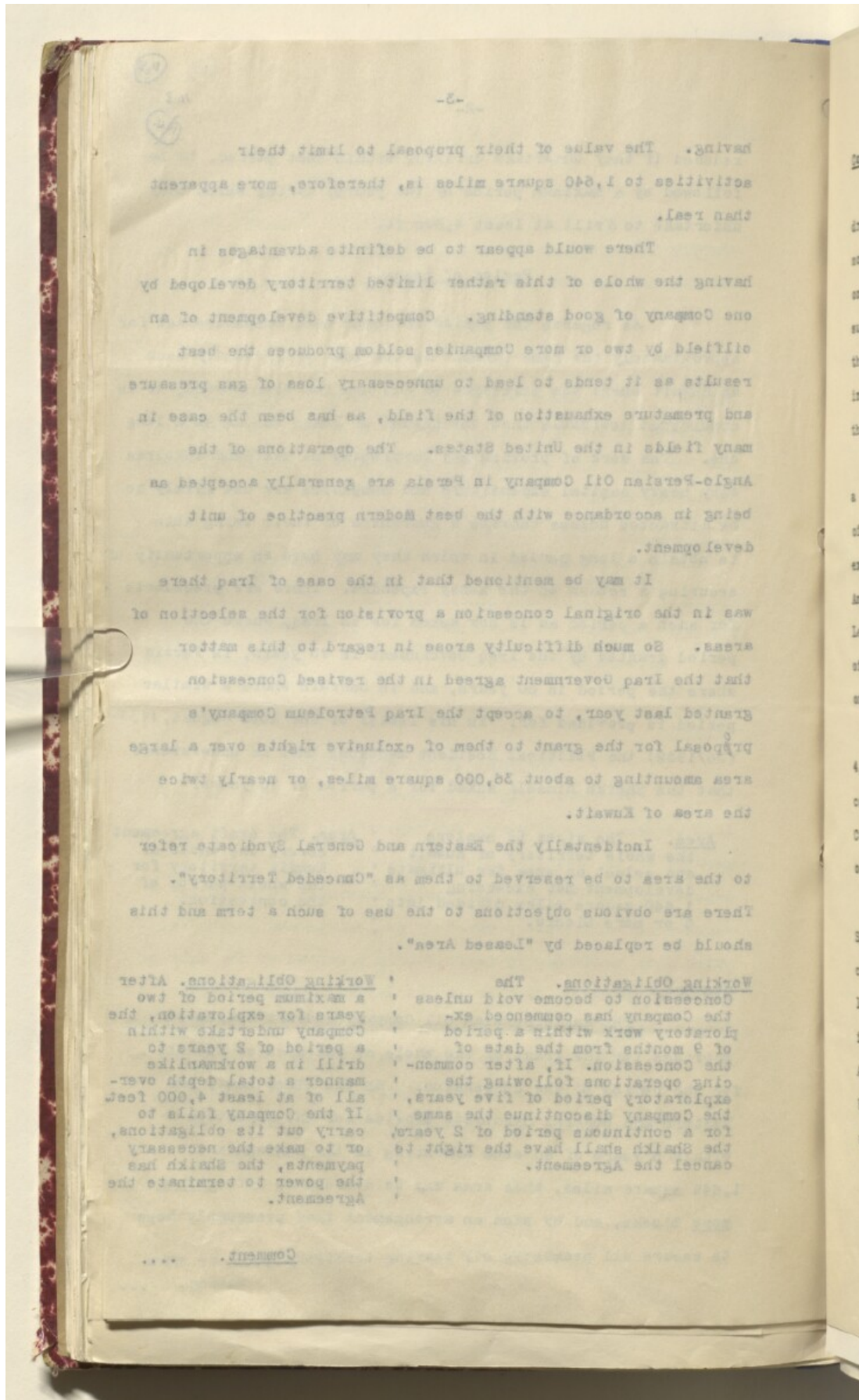
There would appear to be definite advantages in having the whole of this rather limited territory developed by one Company of good standing. Competitive development of an oilfield by two or more Companies seldom produces the best results as it tends to lead to unnecessary loss of gas pressure and premature exhaustion of the field, as has been the case in many fields in the United States. The operations of the Anglo-Persian Oil Company in Persia are generally accepted as being in accordance with the best modern practice of unit development.

It may be mentioned that in the case of Iraq there was in the original concession a provision for the selection of areas. So much difficulty arose in regard to this matter that the Iraq Government agreed in the revised Concession granted last year, to accept the Iraq Petroleum Company's proposal for the grant to them of exclusive rights over a large area amounting to about 36,000 square miles, or nearly twice the area of Kuwait.

Incidentally the Eastern and General Syndicate refer to the area to be reserved to them as "Conceded Territory". There are obvious objections to the use of such a term and this should be replaced by "Leased Area".

<u>Working Obligations.</u> The	<u>Working Obligations.</u> After
Concession to become void unless	a maximum period of two
the Company has commenced ex-	years for exploration, the
ploratory work within a period	Company undertake within
of 9 months from the date of	a period of 2 years to
the Concession. If, after commen-	drill in a workmanlike
cing operations following the	manner a total depth over-
exploratory period of five years,	all of at least 4,000 feet.
the Company discontinue the same	If the Company fails to
for a continuous period of 2 years,	carry out its obligations,
the Shaikh shall have the right to	or to make the necessary
cancel the Agreement.	payments, the Shaikh has
	the power to terminate the
	Agreement.

Comment.



having. The value of their proposal to limit their activities to 1,040 square miles is, therefore, more apparent than real.

There would appear to be definite advantages in having the whole of this rather limited territory developed by one Company of good standing. Competitive development of an oilfield by two or more Companies seldom produces the best results as it tends to lead to unnecessary loss of gas pressure and premature exhaustion of the field, as has been the case in many fields in the United States. The operations of the Anglo-Persian Oil Company in Persia are generally accepted as being in accordance with the best modern practice of unit development.

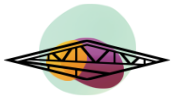
It may be mentioned that in the case of Iraq there was in the original concession a provision for the selection of areas. So much difficulty arose in regard to this matter that the Iraq Government agreed in the revised Concession granted last year, to accept the Iraq Petroleum Company's proposal for the grant to them of exclusive rights over a large area amounting to about 30,000 square miles, or nearly twice the area of Kuwait.

Incidentally the Eastern and General Syndicate refer to the area to be reserved to them as "Unconceded Territory". There are obvious objections to the use of such a term and this should be replaced by "Leased Area".

Working Obligations. The Concession to become void unless the Company has commenced exploratory work within a period of 9 months from the date of the Concession. If, after commencing operations following the exploratory period of five years, the Company discontinues the same for a continuous period of 2 years, the Shakh shall have the right to cancel the Agreement.

Working Obligations. After a maximum period of two years for exploration, the Company undertakes within a period of 2 years to drill in a workmanlike manner a total depth over all of at least 4,000 feet. If the Company fails to carry out its obligations or to make the necessary payments, the Shakh has the power to terminate the Agreement.

Comment.



Comment.

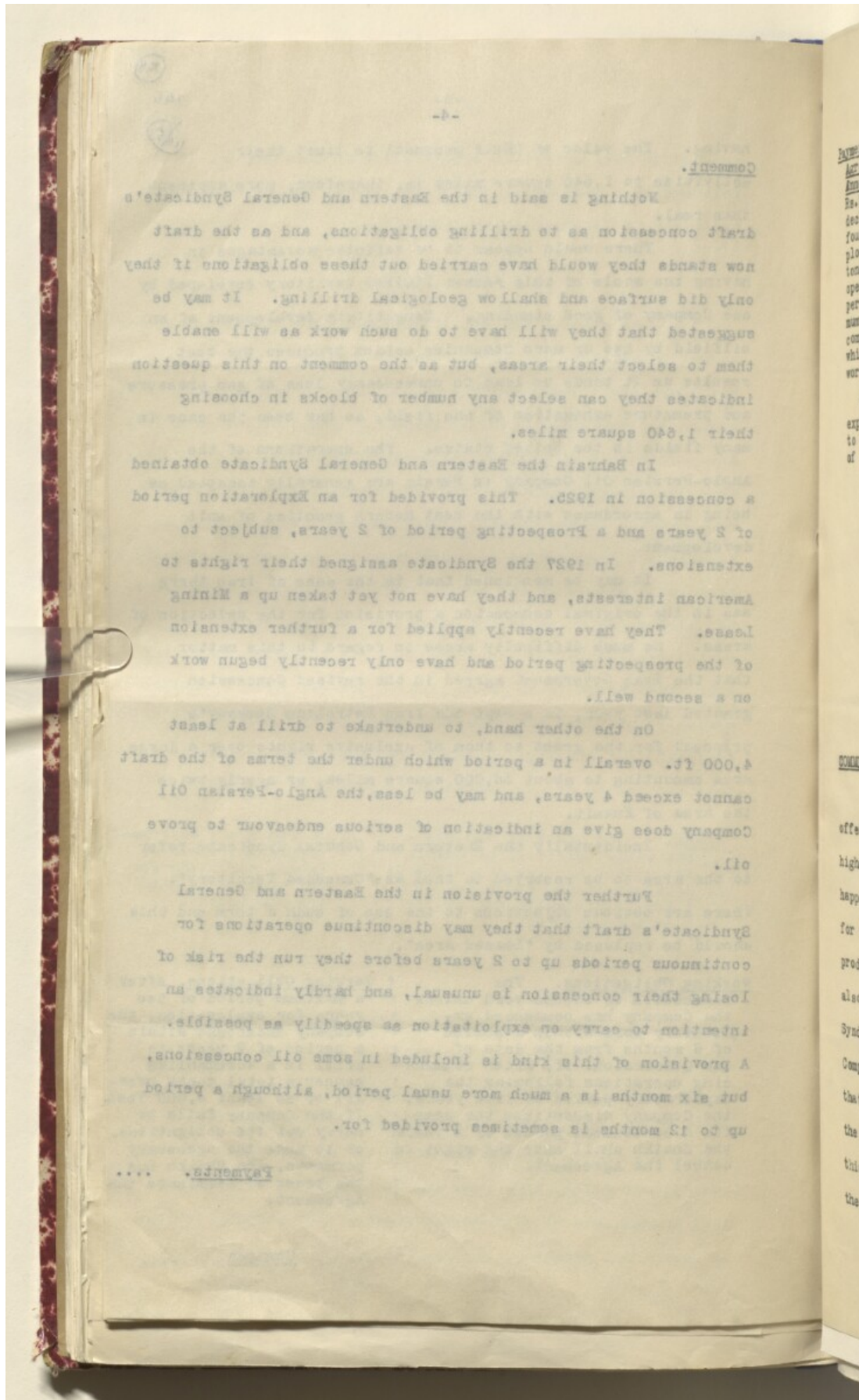
Nothing is said in the Eastern and General Syndicate's draft concession as to drilling obligations, and as the draft now stands they would have carried out these obligations if they only did surface and shallow geological drilling. It may be suggested that they will have to do such work as will enable them to select their areas, but as the comment on this question indicates they can select any number of blocks in choosing their 1,640 square miles.

In Bahrain the Eastern and General Syndicate obtained a concession in 1925. This provided for an Exploration period of 2 years and a Prospecting period of 2 years, subject to extensions. In 1927 the Syndicate assigned their rights to American interests, and they have not yet taken up a Mining Lease. They have recently applied for a further extension of the prospecting period and have only recently begun work on a second well.

On the other hand, to undertake to drill at least 4,000 ft. overall in a period which under the terms of the draft cannot exceed 4 years, and may be less, the Anglo-Persian Oil Company does give an indication of serious endeavour to prove oil.

Further the provision in the Eastern and General Syndicate's draft that they may discontinue operations for continuous periods up to 2 years before they run the risk of losing their concession is unusual, and hardly indicates an intention to carry on exploitation as speedily as possible. A provision of this kind is included in some oil concessions, but six months is a much more usual period, although a period up to 12 months is sometimes provided for.

Payments.





Payments: On signature of the Agreement Rs.30,000. Annually thereafter Rs.20,000, until the Company declares that oil has been found in commercially exploitable quantities, when tonnage royalty begins to operate. Royalty Rs.3-8 annas per ton of oil won, with minimum of Rs.70,000 in any complete calendar year in which the Company continues work.

The question of commercial exploitation to be referred to arbitration in the event of dispute.

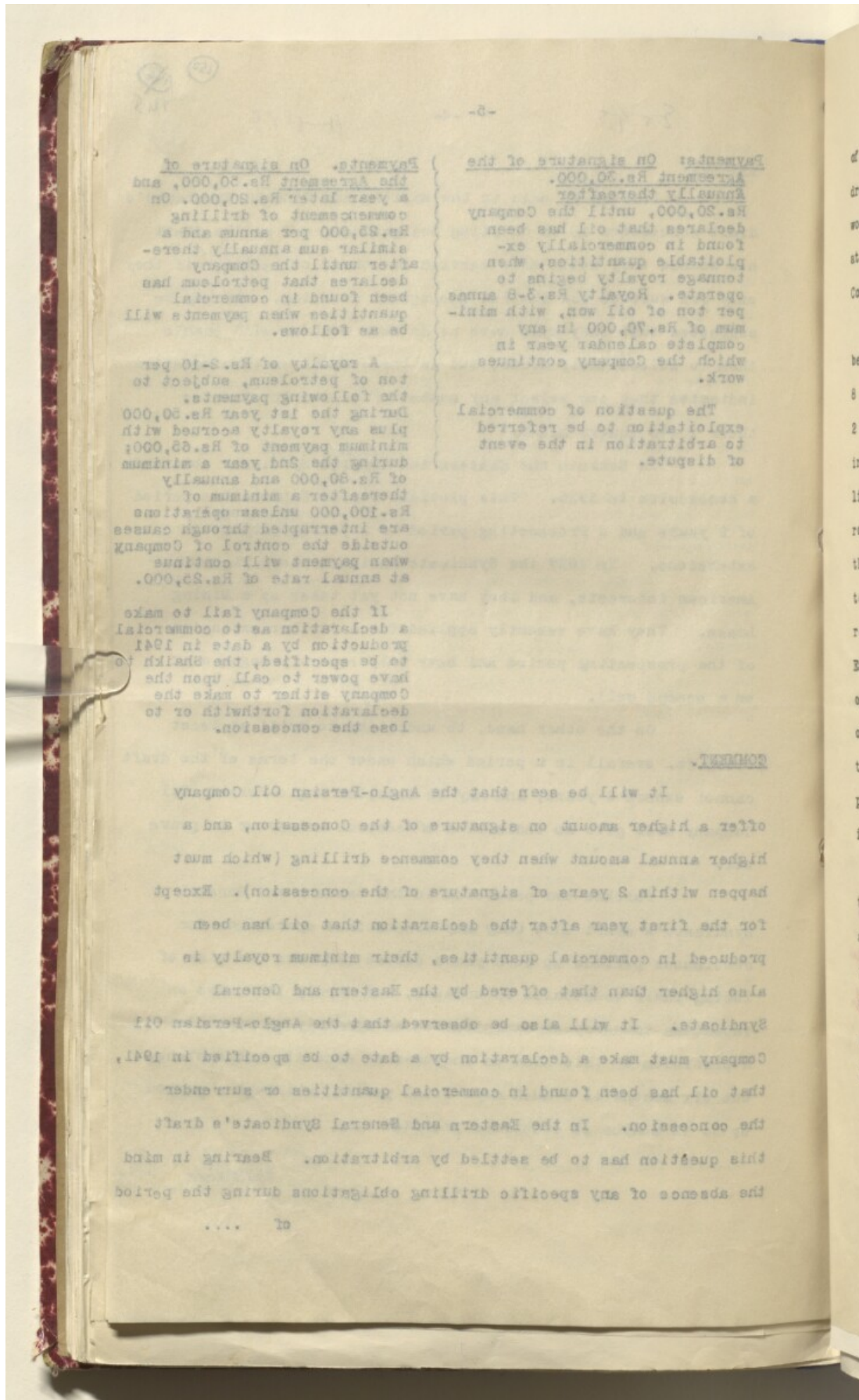
Payments. On signature of the Agreement Rs.50,000, and a year later Rs.20,000. On commencement of drilling Rs.25,000 per annum and a similar sum annually thereafter until the Company declares that petroleum has been found in commercial quantities when payments will be as follows.

A royalty of Rs.2-10 per ton of petroleum, subject to the following payments. During the 1st year Rs.50,000 plus any royalty accrued with minimum payment of Rs.65,000; during the 2nd year a minimum of Rs.80,000 and annually thereafter a minimum of Rs.100,000 unless operations are interrupted through causes outside the control of Company, when payment will continue at annual rate of Rs.25,000.

If the Company fail to make a declaration as to commercial production by a date in 1941 to be specified, the Shaikh to have power to call upon the Company either to make the declaration forthwith or to lose the concession.

COMMENT.

It will be seen that the Anglo-Persian Oil Company offer a higher amount on signature of the Concession, and a higher annual amount when they commence drilling (which must happen within 2 years of signature of the concession). Except for the first year after the declaration that oil has been produced in commercial quantities, their minimum royalty is also higher than that offered by the Eastern and General Syndicate. It will also be observed that the Anglo-Persian Oil Company must make a declaration by a date to be specified in 1941, that oil has been found in commercial quantities or surrender the concession. In the Eastern and General Syndicate's draft this question has to be settled by arbitration. Bearing in mind the absence of any specific drilling obligations during the period of





of 5 years provided by the Eastern and General Syndicate's draft for the exploration period, it seems unlikely that there would be much prospect of taking the Syndicate to arbitration at an earlier date than that by which the Anglo-Persian Oil Company must make their declaration.

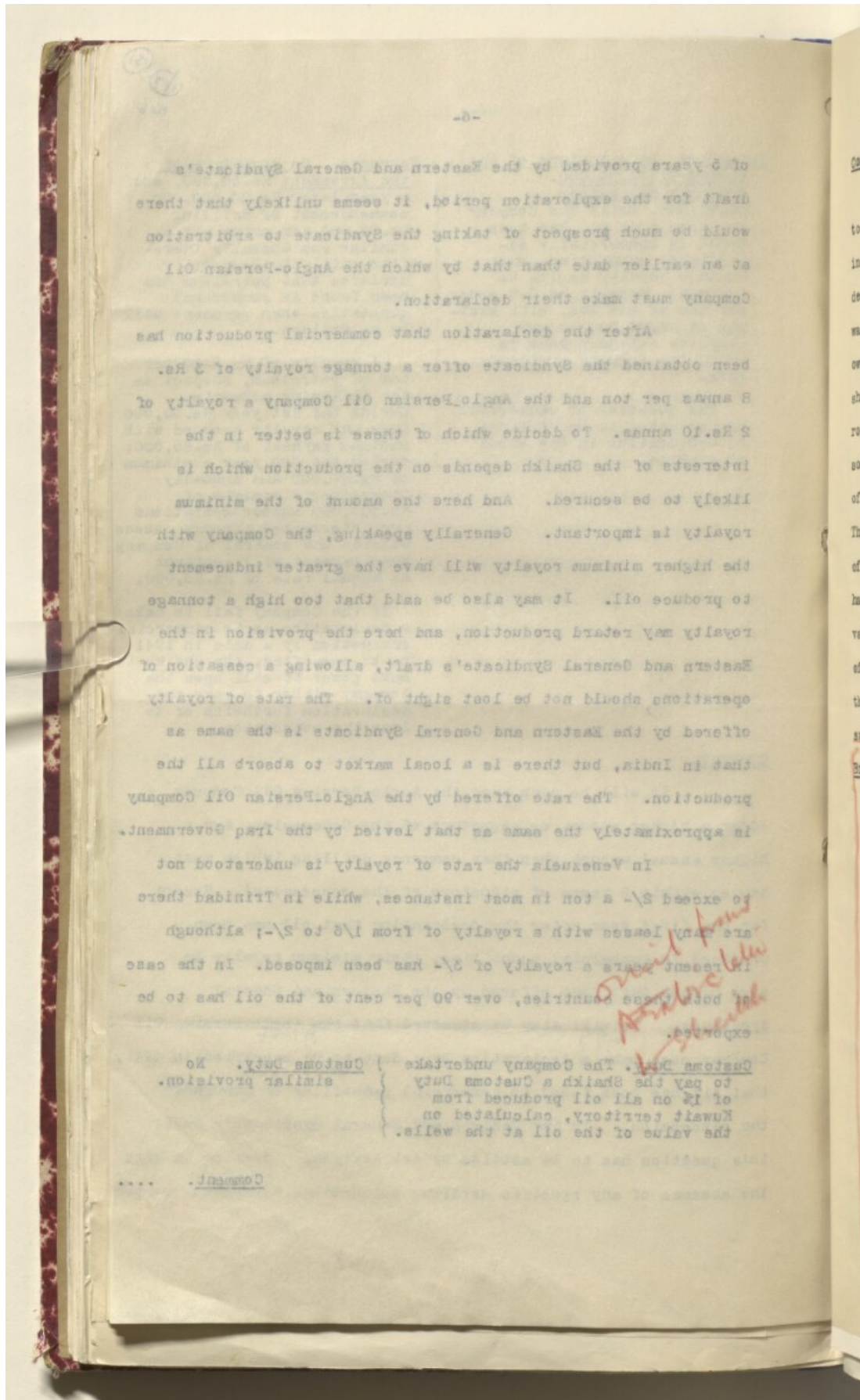
After the declaration that commercial production has been obtained the Syndicate offer a tonnage royalty of 3 Rs. 8 annas per ton and the Anglo-Persian Oil Company a royalty of 2 Rs. 10 annas. To decide which of these is better in the interests of the Shaikh depends on the production which is likely to be secured. And here the amount of the minimum royalty is important. Generally speaking, the Company with the higher minimum royalty will have the greater inducement to produce oil. It may also be said that too high a tonnage royalty may retard production, and here the provision in the Eastern and General Syndicate's draft, allowing a cessation of operations, should not be lost sight of. The rate of royalty offered by the Eastern and General Syndicate is the same as that in India, but there is a local market to absorb all the production. The rate offered by the Anglo-Persian Oil Company is approximately the same as that levied by the Iraq Government.

In Venezuela the rate of royalty is understood not to exceed 2/- a ton in most instances, while in Trinidad there are many leases with a royalty of from 1/6 to 2/-; although in recent years a royalty of 3/- has been imposed. In the case of both these countries, over 90 per cent of the oil has to be exported.

Customs Duty. The Company undertake to pay the Shaikh a Customs Duty of 1% on all oil produced from Kuwait territory, calculated on the value of the oil at the wells.

Customs Duty. No similar provision.

Comment.





Comment.

It is not usual to impose a Customs Duty in addition to royalty. Such a charge might with some justification be levied in a country where the State does not own the mineral rights and desires to secure some financial consideration for the loss of a wasting asset such as petroleum. But where the State is the owner of the minerals it is regarded as preferable that the State should take the whole of its financial return in the shape of royalty. Apart from the principle involved there is bound to be some difficulty in assessing the value of the oil for purposes of the duty, whether at the well head, or port of shipment. There are some cases in which royalty is charged on the basis of a percentage of the value of the oil won, and endless difficulty has arisen in finding a satisfactory method of determining the value. In Trinidad, where the Government owns the greater part of the minerals and the question has been thoroughly considered, the idea of an export tax has been definitely abandoned as unsuitable.

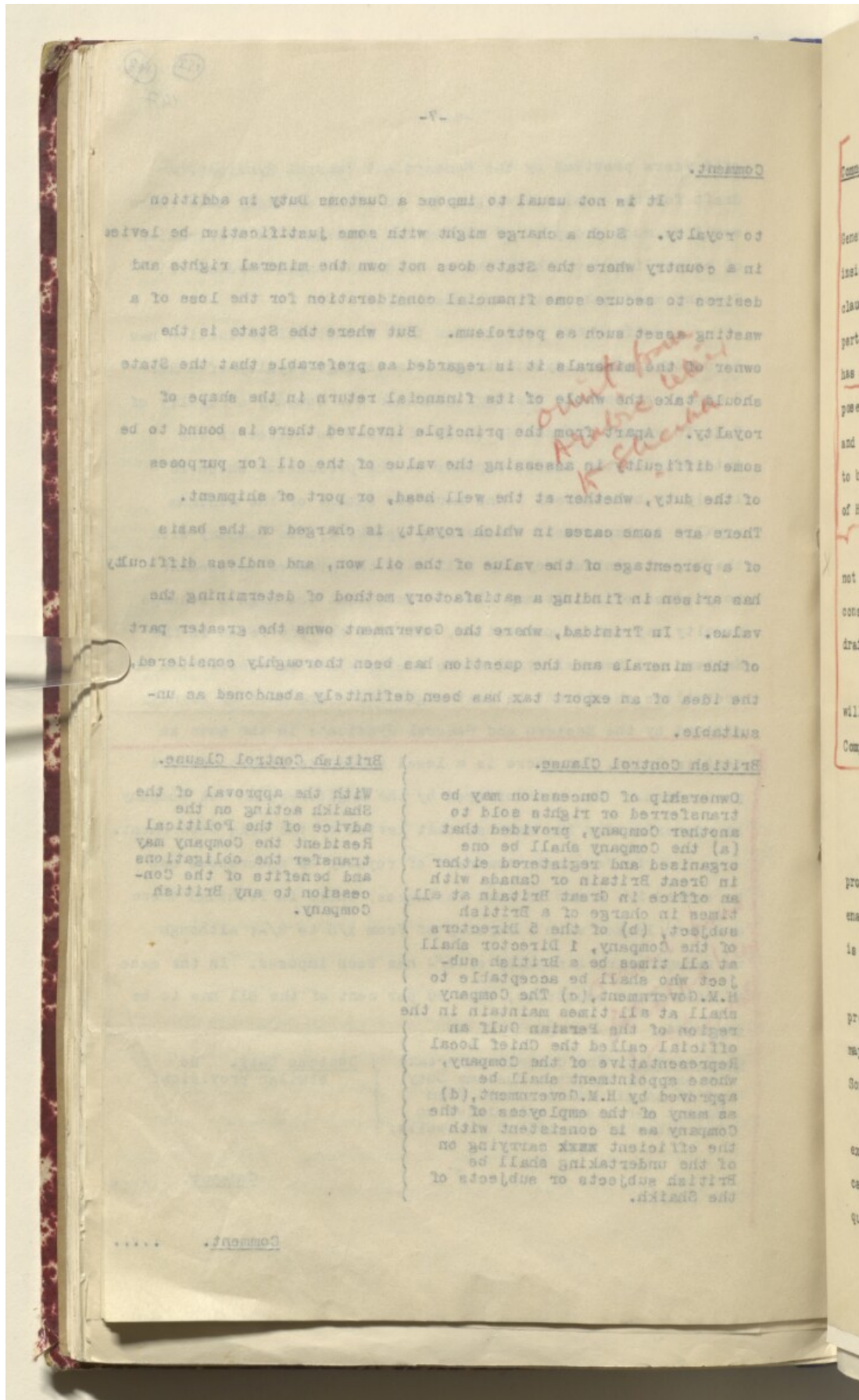
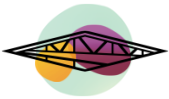
British Control Clause.

Ownership of Concession may be transferred or rights sold to another Company, provided that (a) the Company shall be one organised and registered either in Great Britain or Canada with an office in Great Britain at all times in charge of a British subject, (b) of the 5 Directors of the Company, 1 Director shall at all times be a British subject who shall be acceptable to H.M. Government, (c) The Company shall at all times maintain in the region of the Persian Gulf an official called the Chief Local Representative of the Company, whose appointment shall be approved by H.M. Government, (d) as many of the employees of the Company as is consistent with the efficient work carrying on of the undertaking shall be British subjects or subjects of the Shaikh.

British Control Clause.

With the approval of the Shaikh acting on the advice of the Political Resident the Company may transfer the obligations and benefits of the Concession to any British Company.

Comment.





Comment.

While H.M.Government has informed the Eastern and General Syndicate that they are prepared for their part not to insist that any concession granted by the Shaikh must contain a clause confining it to British interests, if the Shaikh for his part is willing to grant a concession without such a clause; it has also made it clear that in respect of the provisions proposed by the Eastern and General Syndicate which are quoted above and which will enable a transfer to a foreign controlled Company to be effected, revision will be needed to safeguard the interests of H.M.Government.

A decision as to the exact form of the safeguard has not yet been taken but this will not prevent the Shaikh from considering in other respects the relative merits of the two draft concessions.

The provision made by the Anglo-Persian Oil Company will prevent any concession which might be granted to that Company passing away from a British company.)

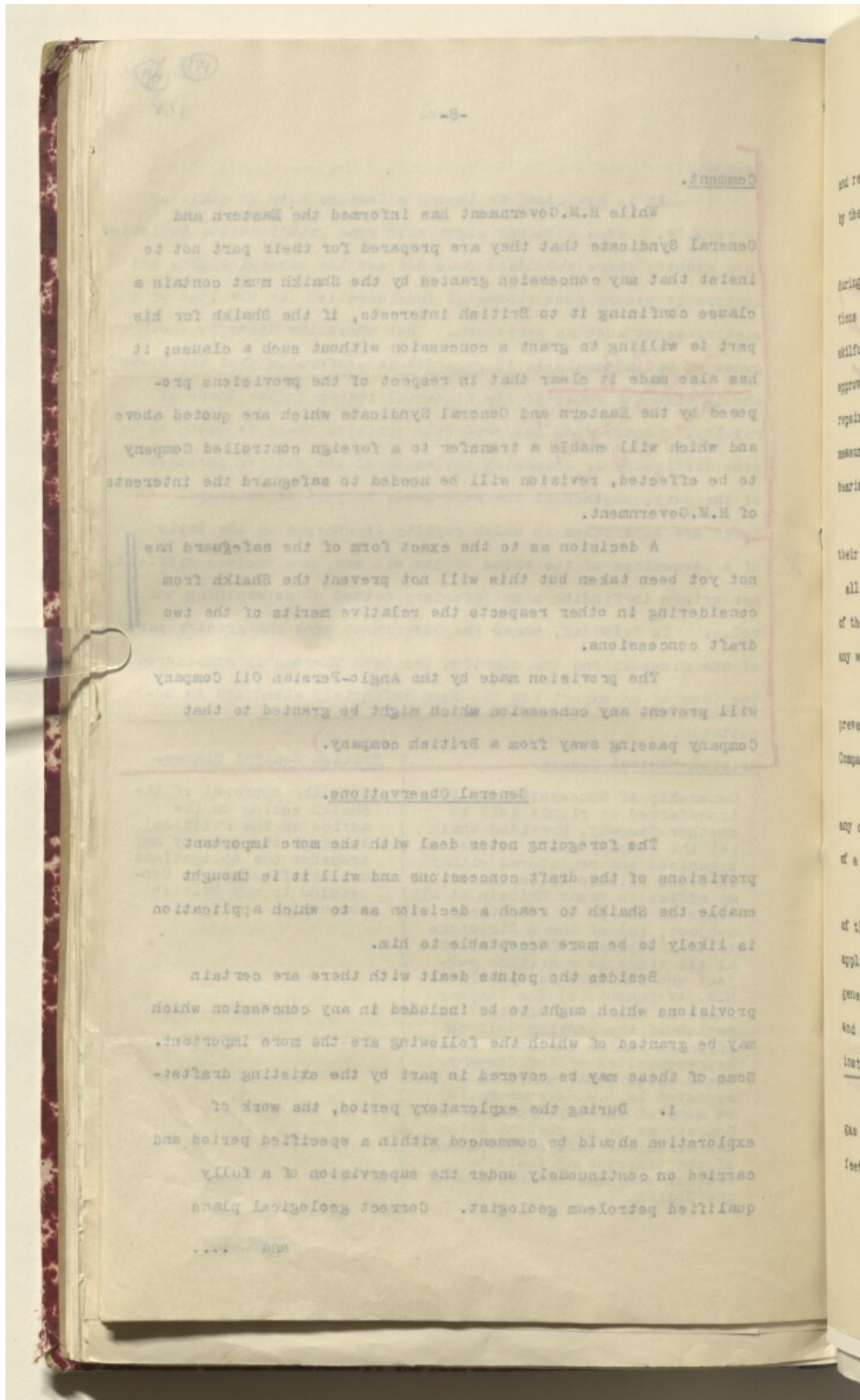
General Observations.

The foregoing notes deal with the more important provisions of the draft concessions and will it is thought enable the Shaikh to reach a decision as to which application is likely to be more acceptable to him.

Besides the points dealt with there are certain provisions which ought to be included in any concession which may be granted of which the following are the more important. Some of these may be covered in part by the existing drafts:-

1. During the exploratory period, the work of exploration should be commenced within a specified period, and carried on continuously under the supervision of a fully qualified petroleum geologist. Correct geological plans

and





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and records should be kept, which should be open to inspection by the Shaikh or his representatives at all reasonable times.

2. The Company should give an undertaking at all times during the continuance of the Concession to carry on all operations for winning and working crude oil, and natural gas in a skilful and workmanlike manner and in accordance with modern approved methods; to maintain all productive borings in good repair, working order and condition and to take all practical measures to prevent the injurious access of water to the oil-bearing formations.

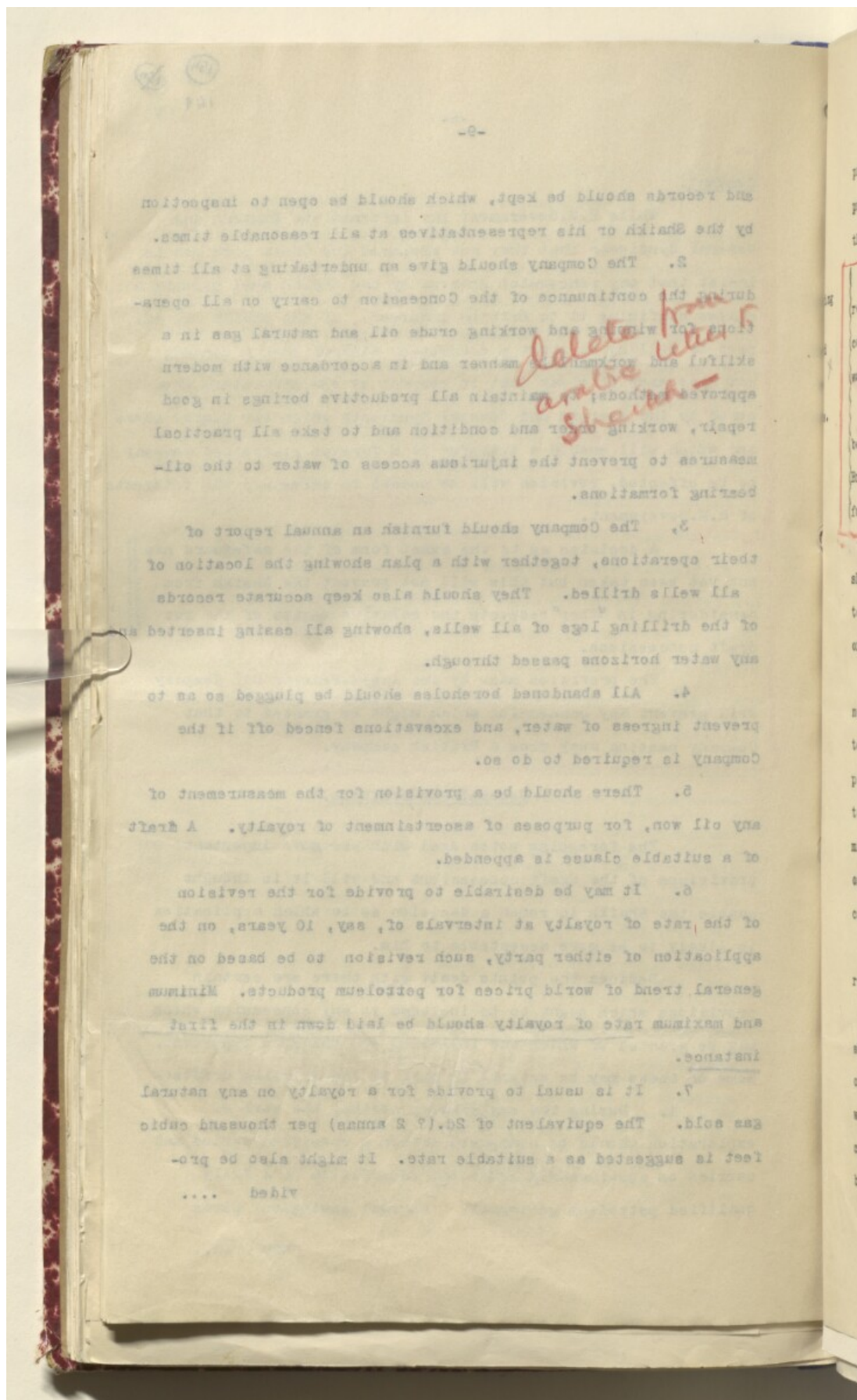
3. The Company should furnish an annual report of their operations, together with a plan showing the location of all wells drilled. They should also keep accurate records of the drilling logs of all wells, showing all casing inserted and any water horizons passed through.

4. All abandoned boreholes should be plugged so as to prevent ingress of water, and excavations fenced off if the Company is required to do so.

5. There should be a provision for the measurement of any oil won, for purposes of ascertainment of royalty. A draft of a suitable clause is appended.

6. It may be desirable to provide for the revision of the rate of royalty at intervals of, say, 10 years, on the application of either party, such revision to be based on the general trend of world prices for petroleum products. Minimum and maximum rate of royalty should be laid down in the first instance.

7. It is usual to provide for a royalty on any natural gas sold. The equivalent of 2d. (? 2 annas) per thousand cubic feet is suggested as a suitable rate. It might also be provided





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provided that in the event of casing-head gasoline being produced the Shaikh may fix a royalty at a rate not exceeding the equivalent of 1/2d. a gallon.

8. The Shaikh (? His Majesty's Government) should retain the right of pre-emption of oil and the right to control coaling and oil stations, docks, wharves, etc., in time of war of emergency.

9. It is considered desirable that provision should be made for refining say 50 per cent of the oil in Kuwait or British territory and that plant should be capable of producing fuel oil suitable for Admiralty use.

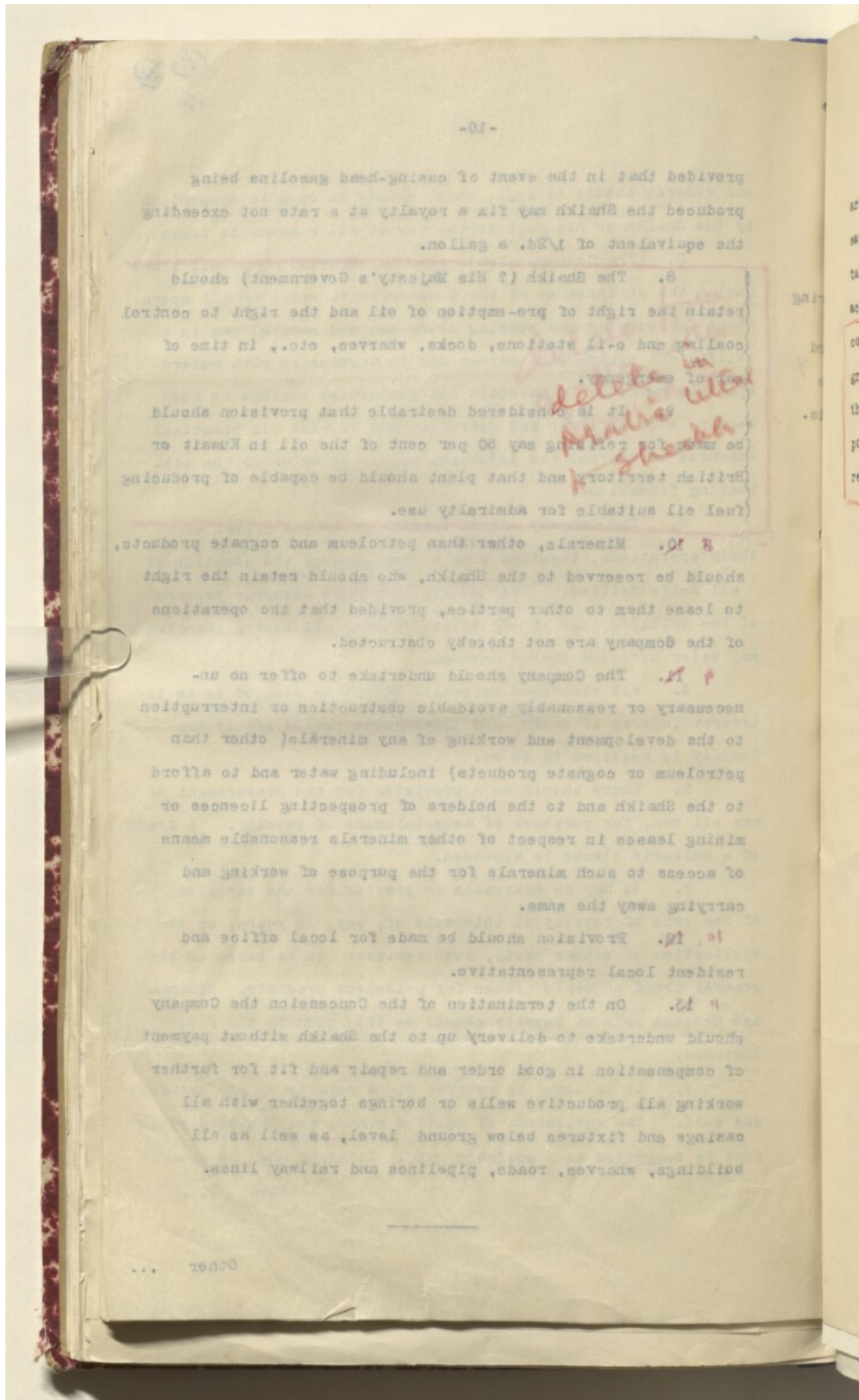
10. Minerals, other than petroleum and cognate products, should be reserved to the Shaikh, who should retain the right to lease them to other parties, provided that the operations of the Company are not thereby obstructed.

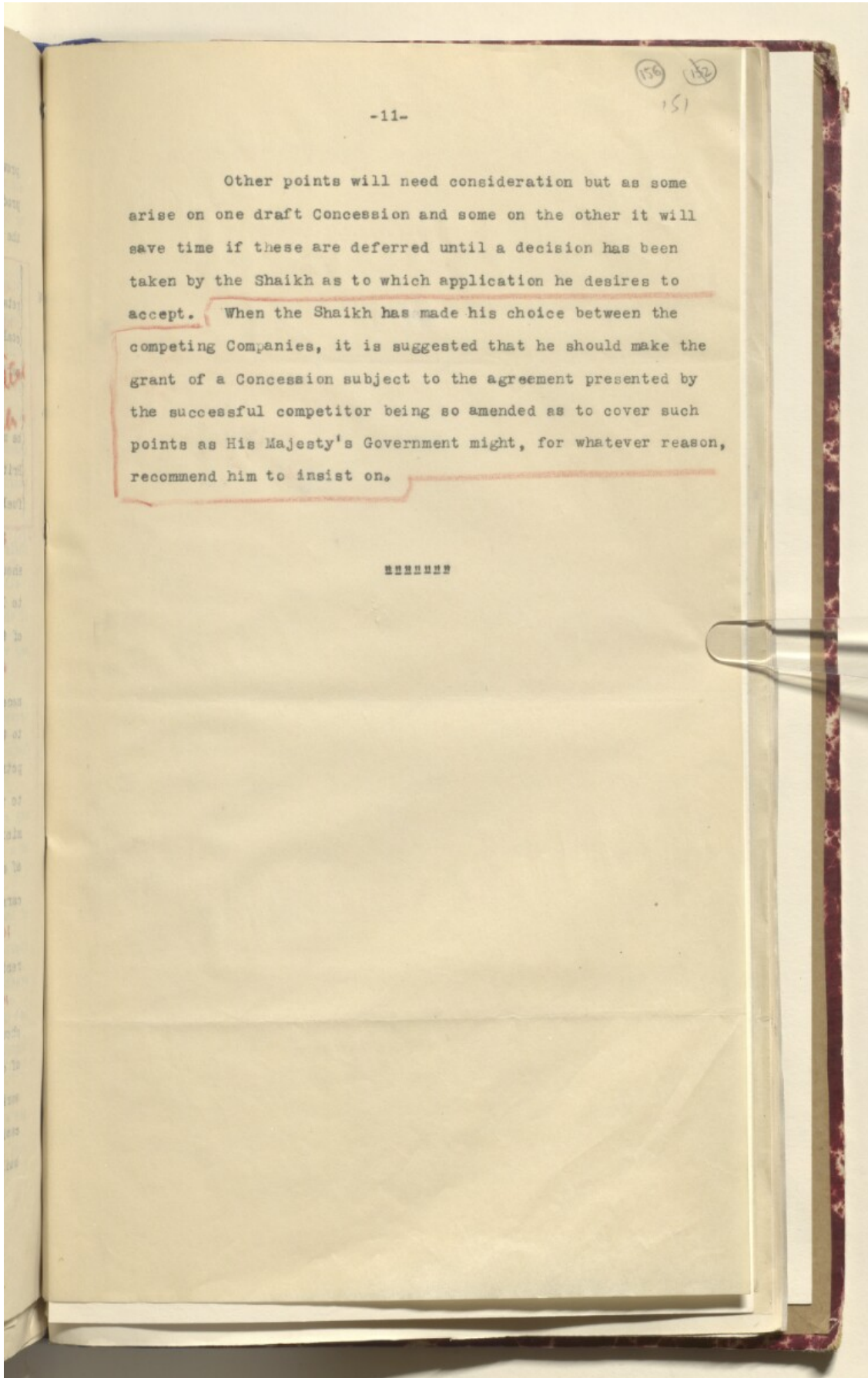
11. The Company should undertake to offer no unnecessary or reasonably avoidable obstruction or interruption to the development and working of any minerals (other than petroleum or cognate products) including water and to afford to the Shaikh and to the holders of prospecting licences or mining leases in respect of other minerals reasonable means of access to such minerals for the purpose of working and carrying away the same.

12. Provision should be made for local office and resident local representative.

13. On the termination of the Concession the Company should undertake to deliver up to the Shaikh without payment of compensation in good order and repair and fit for further working all productive wells or borings together with all casings and fixtures below ground level, as well as all buildings, wharves, roads, pipelines and railway lines.

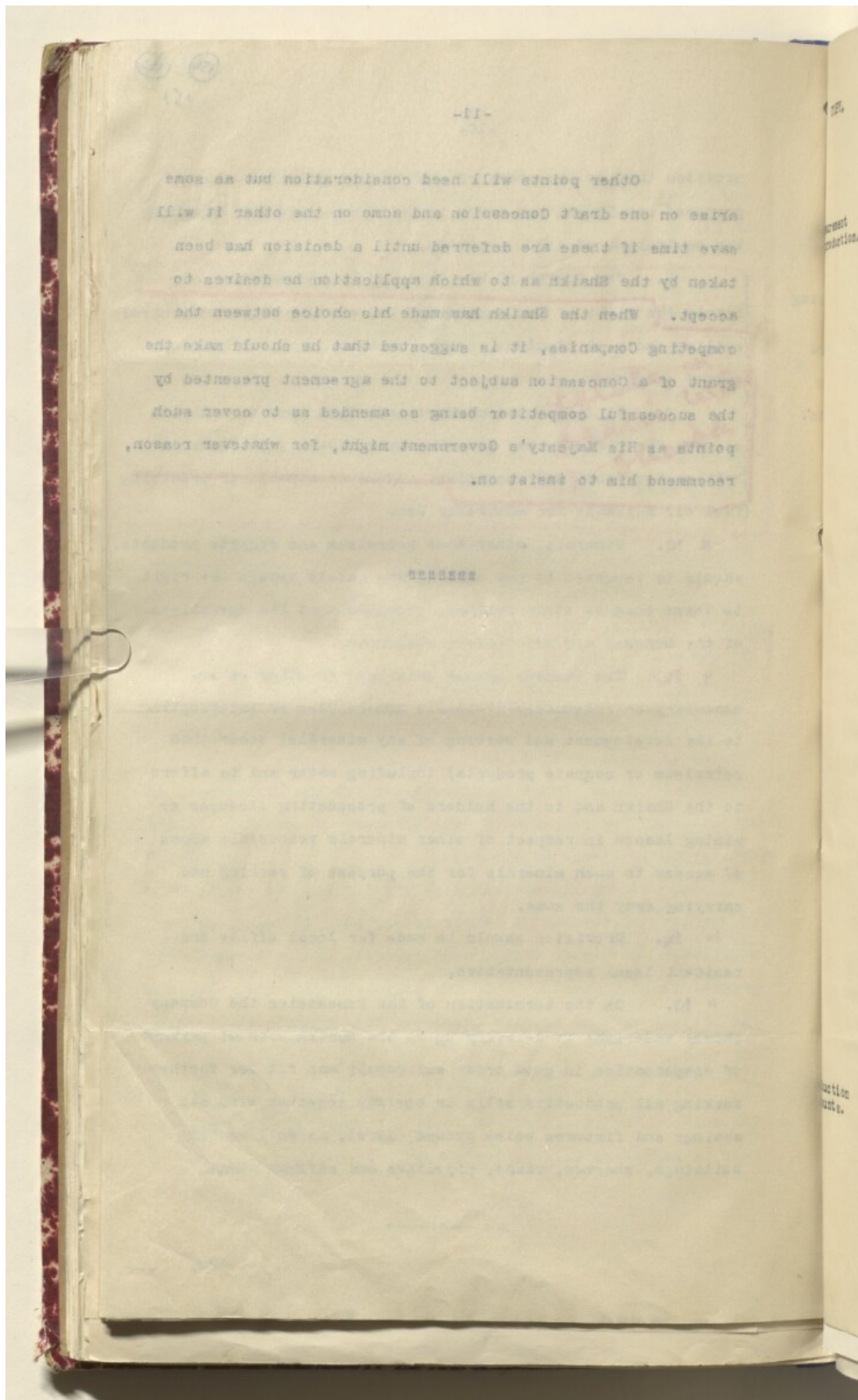
Other ...





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Other points will need consideration but as some arise on one draft Concession and some on the other it will save time if these are deferred until a decision has been taken by the Shaikh as to which application he desires to accept. When the Shaikh has made his choice between the competing Companies, it is suggested that he should make the grant of a Concession subject to the agreement presented by the successful competitor being so amended as to cover such points as His Majesty's Government might, for whatever reason, recommend him to insist on.





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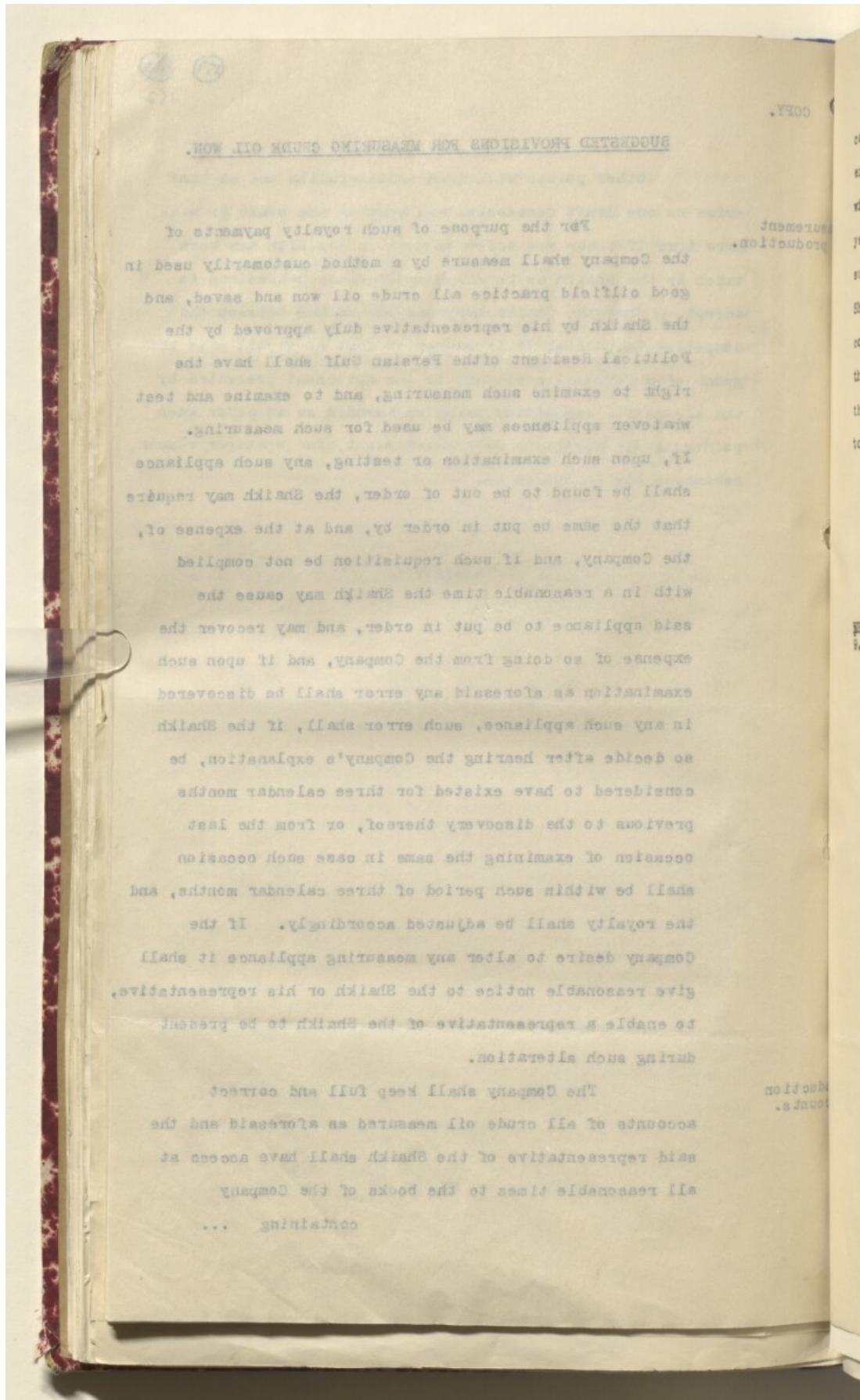
SUGGESTED PROVISIONS FOR MEASURING CRUDE OIL WON.

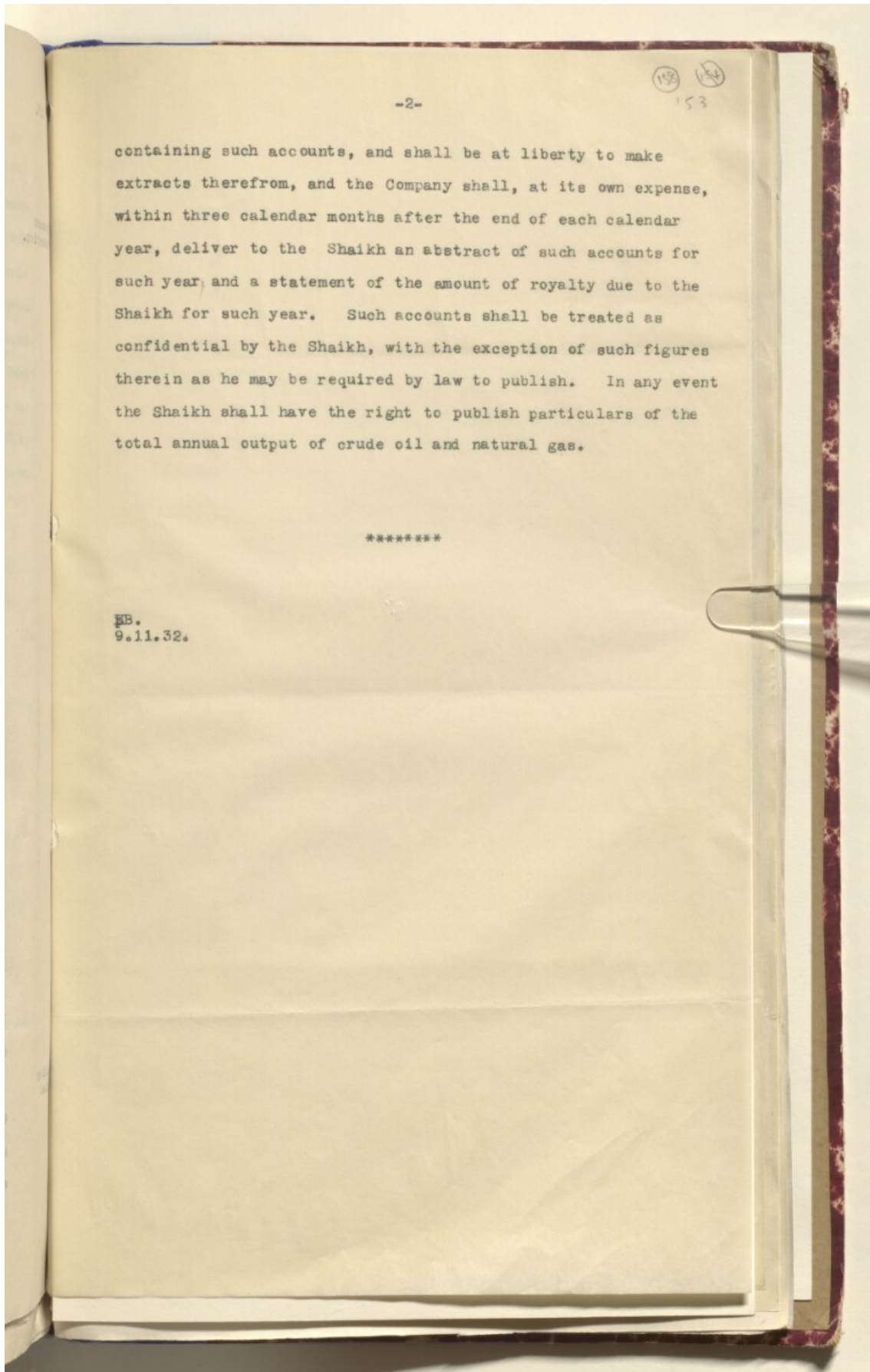
Measurement
production.

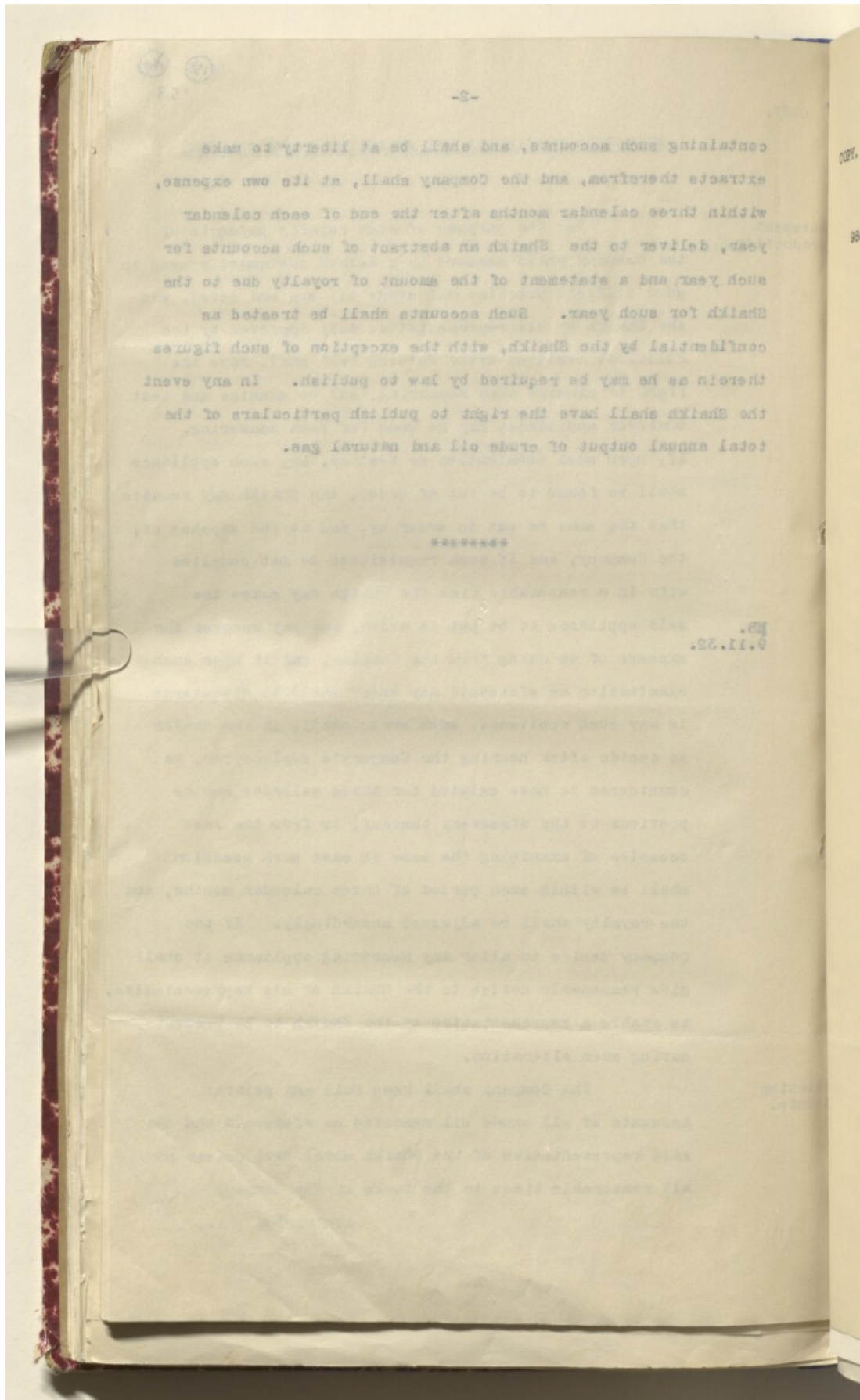
For the purpose of such royalty payments of the Company shall measure by a method customarily used in good oilfield practice all crude oil won and saved, and the Shaikh by his representative duly approved by the Political Resident of the Persian Gulf shall have the right to examine such measuring, and to examine and test whatever appliances may be used for such measuring. If, upon such examination or testing, any such appliance shall be found to be out of order, the Shaikh may require that the same be put in order by, and at the expense of, the Company, and if such requisition be not complied with in a reasonable time the Shaikh may cause the said appliance to be put in order, and may recover the expense of so doing from the Company, and if upon such examination as aforesaid any error shall be discovered in any such appliance, such error shall, if the Shaikh so decide after hearing the Company's explanation, be considered to have existed for three calendar months previous to the discovery thereof, or from the last occasion of examining the same in case such occasion shall be within such period of three calendar months, and the royalty shall be adjusted accordingly. If the Company desire to alter any measuring appliance it shall give reasonable notice to the Shaikh or his representative, to enable a representative of the Shaikh to be present during such alteration.

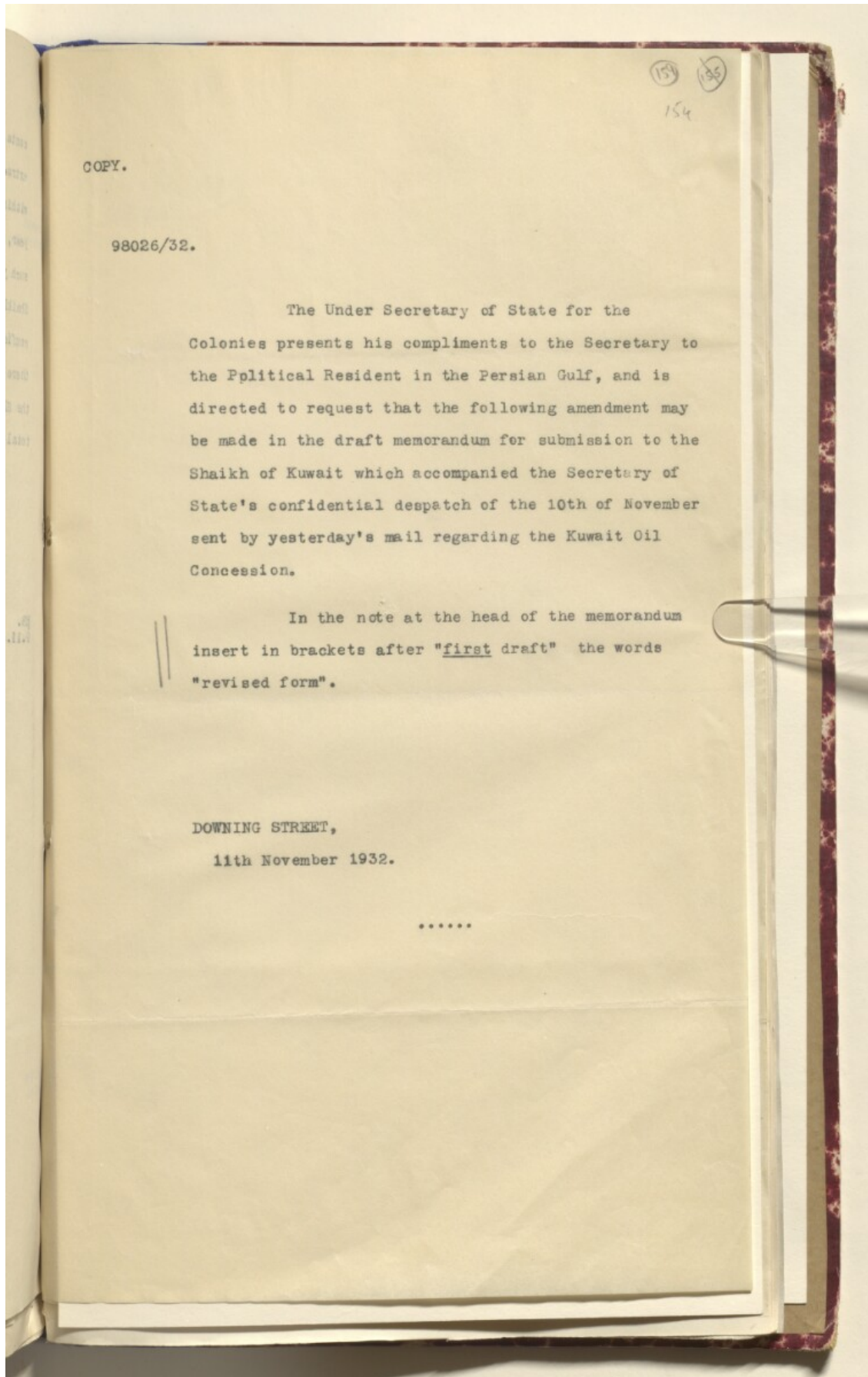
Production
counts.

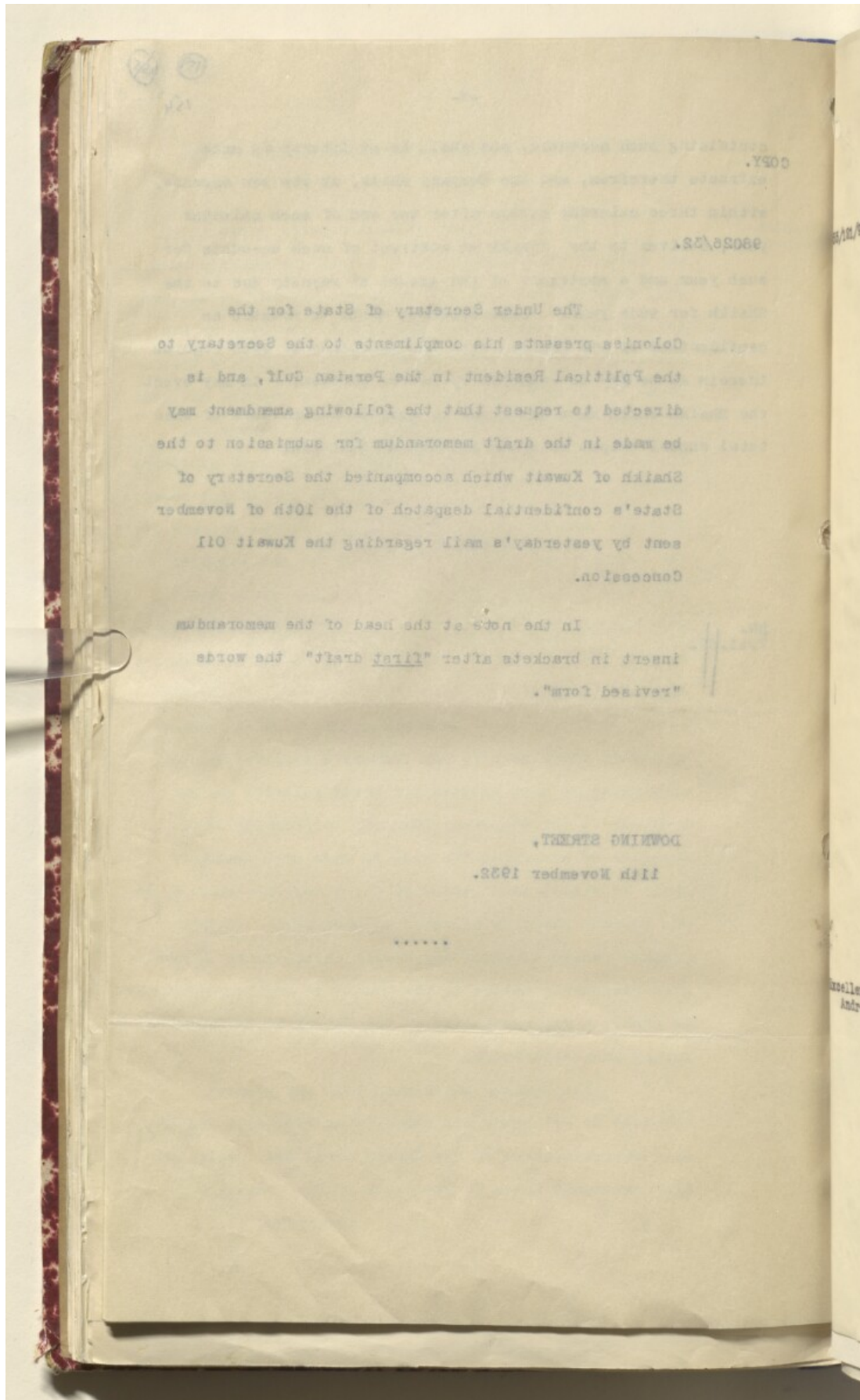
The Company shall keep full and correct accounts of all crude oil measured as aforesaid and the said representative of the Shaikh shall have access at all reasonable times to the books of the Company containing ...

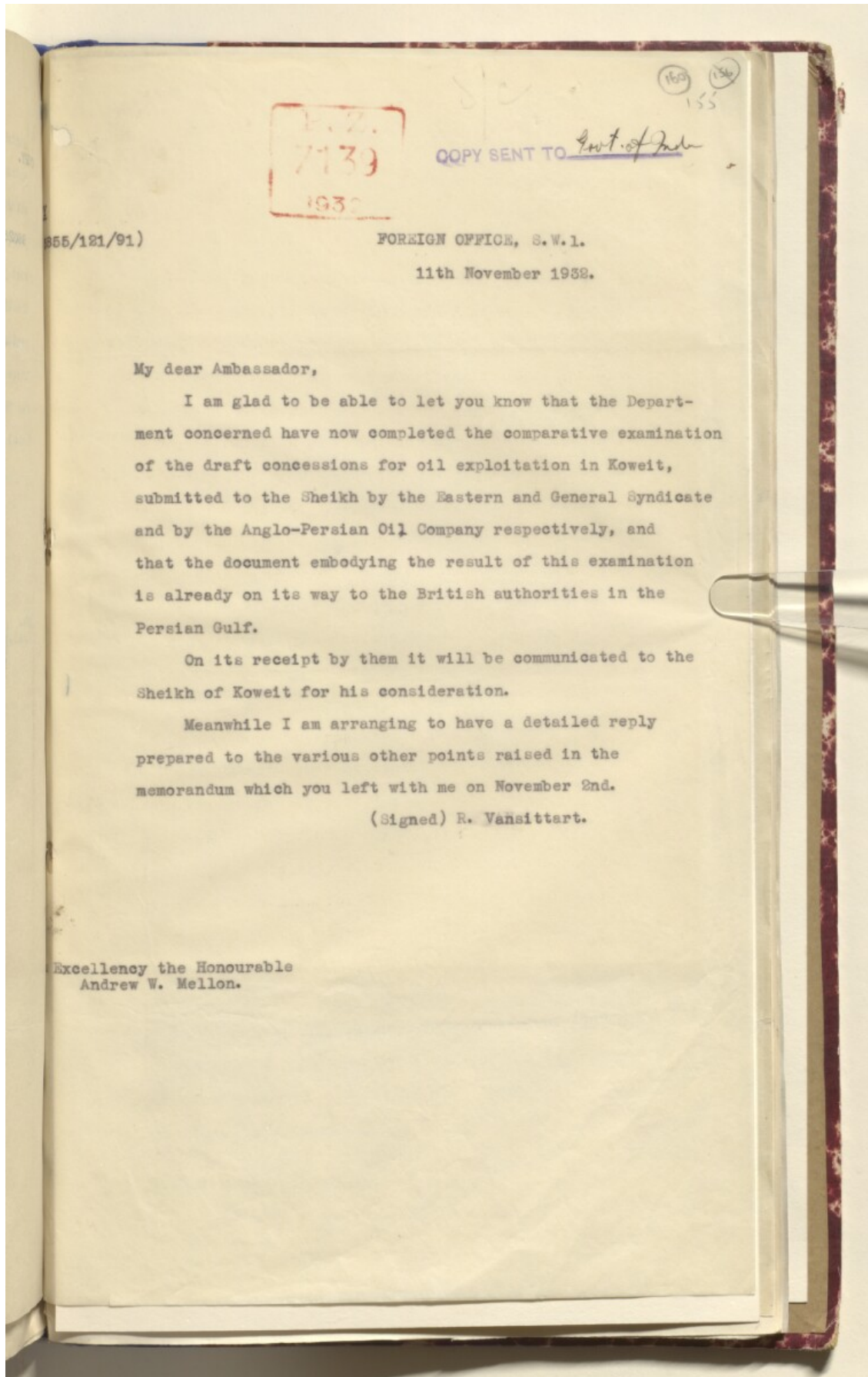


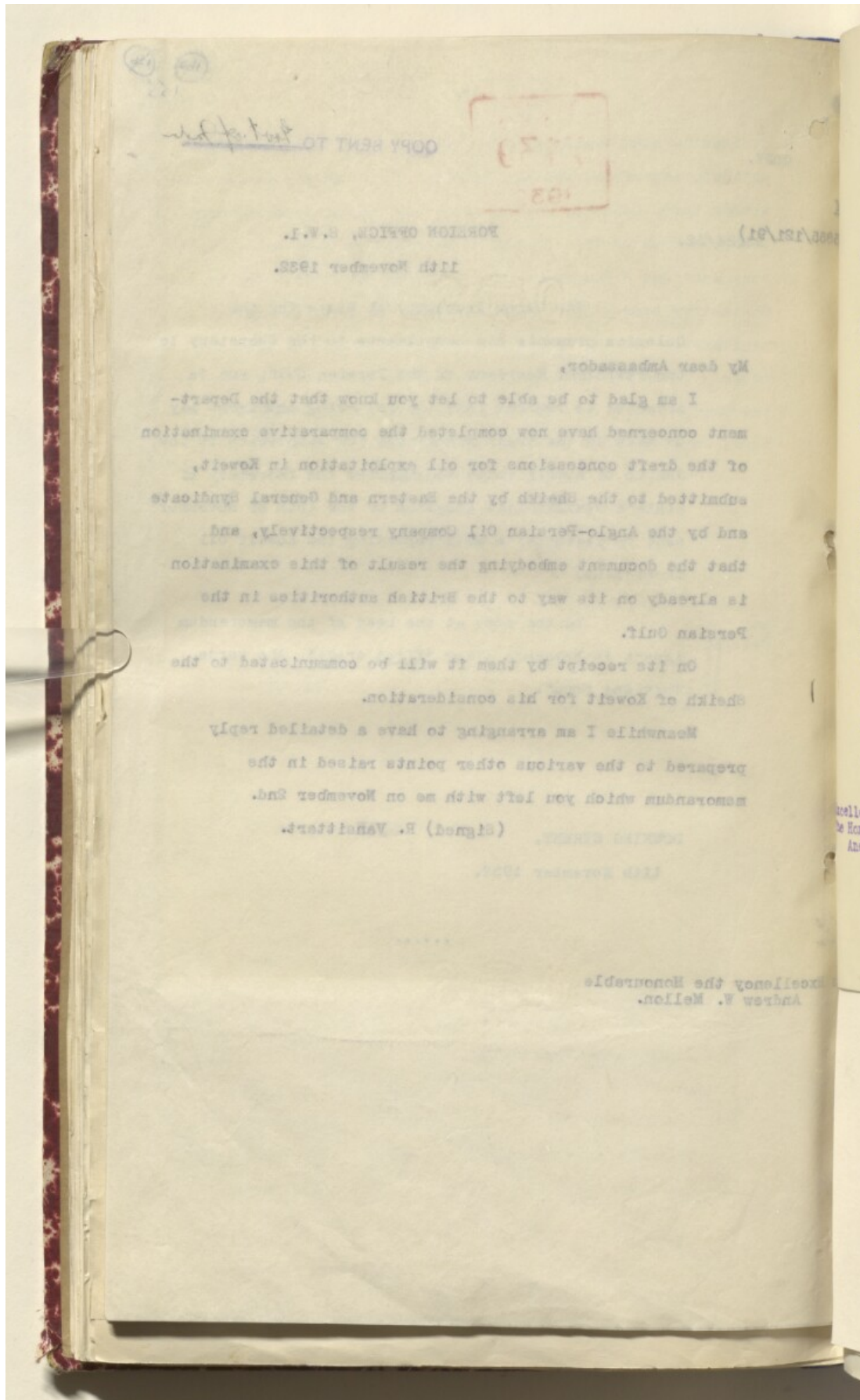


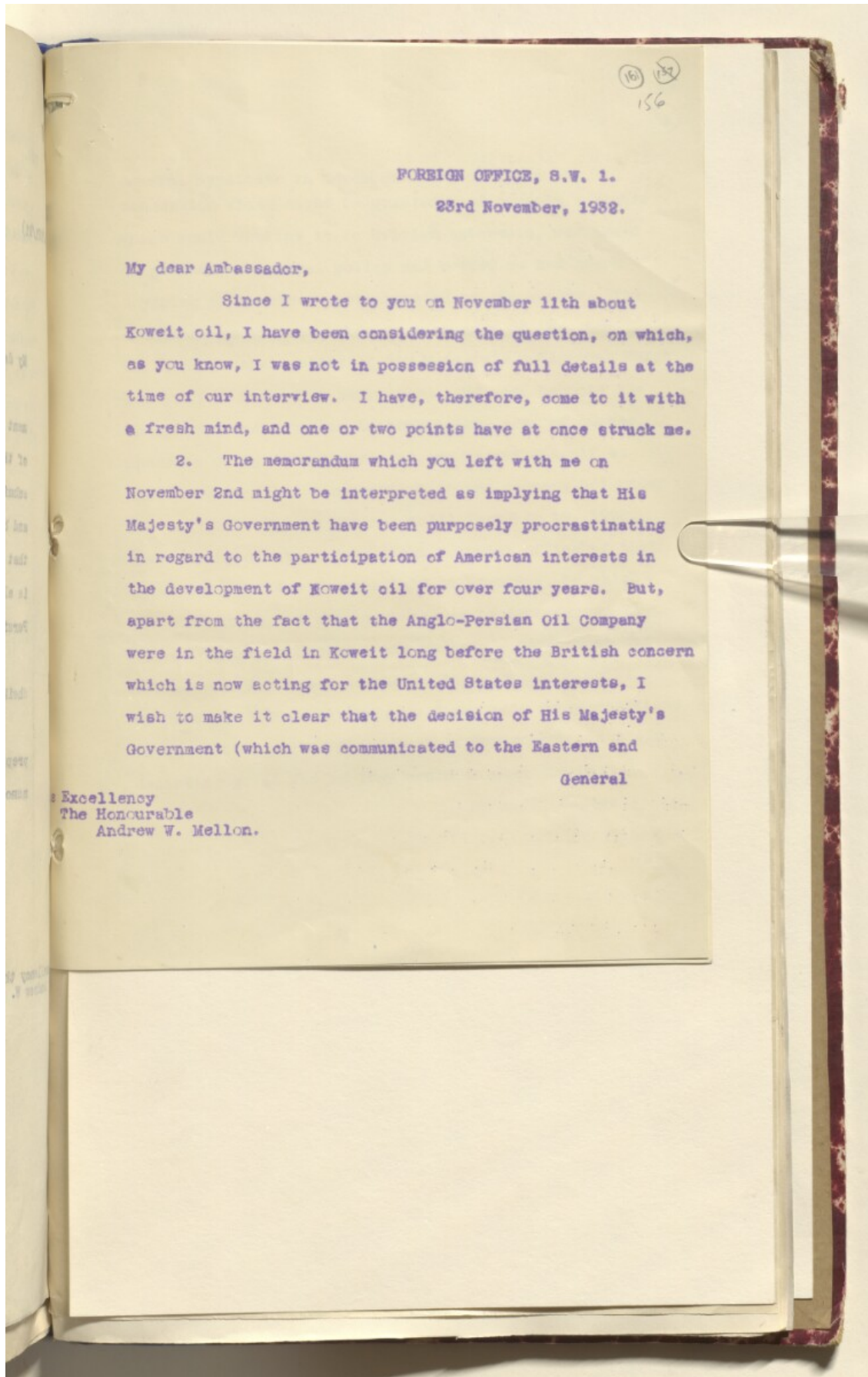












FOREIGN OFFICE, S.W. 1.

23rd November, 1932.

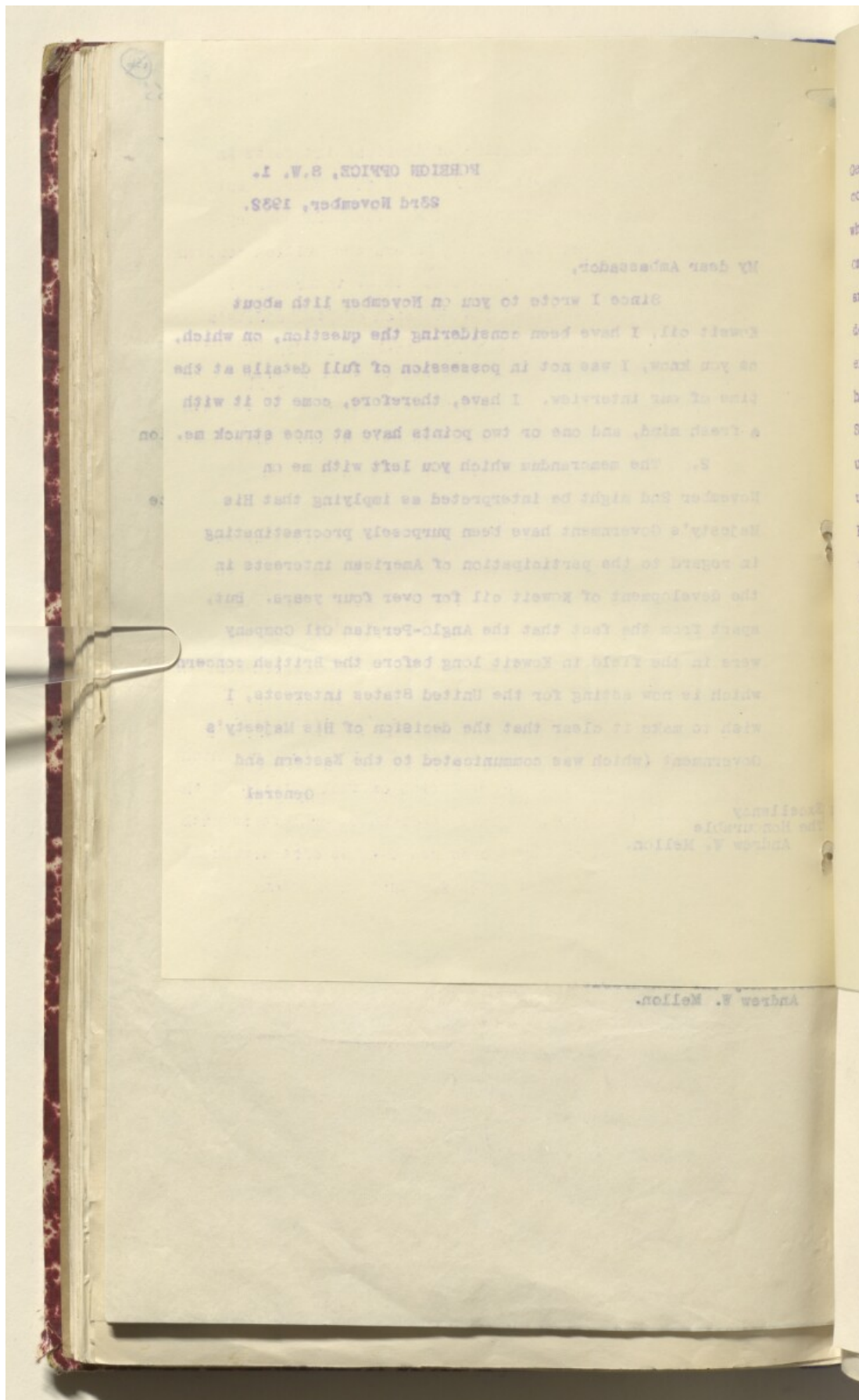
My dear Ambassador,

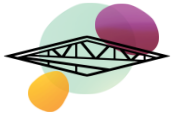
Since I wrote to you on November 11th about Kuwait oil, I have been considering the question, on which, as you know, I was not in possession of full details at the time of our interview. I have, therefore, come to it with a fresh mind, and one or two points have at once struck me.

2. The memorandum which you left with me on November 2nd might be interpreted as implying that His Majesty's Government have been purposely procrastinating in regard to the participation of American interests in the development of Kuwait oil for over four years. But, apart from the fact that the Anglo-Persian Oil Company were in the field in Kuwait long before the British concern which is now acting for the United States interests, I wish to make it clear that the decision of His Majesty's Government (which was communicated to the Eastern and

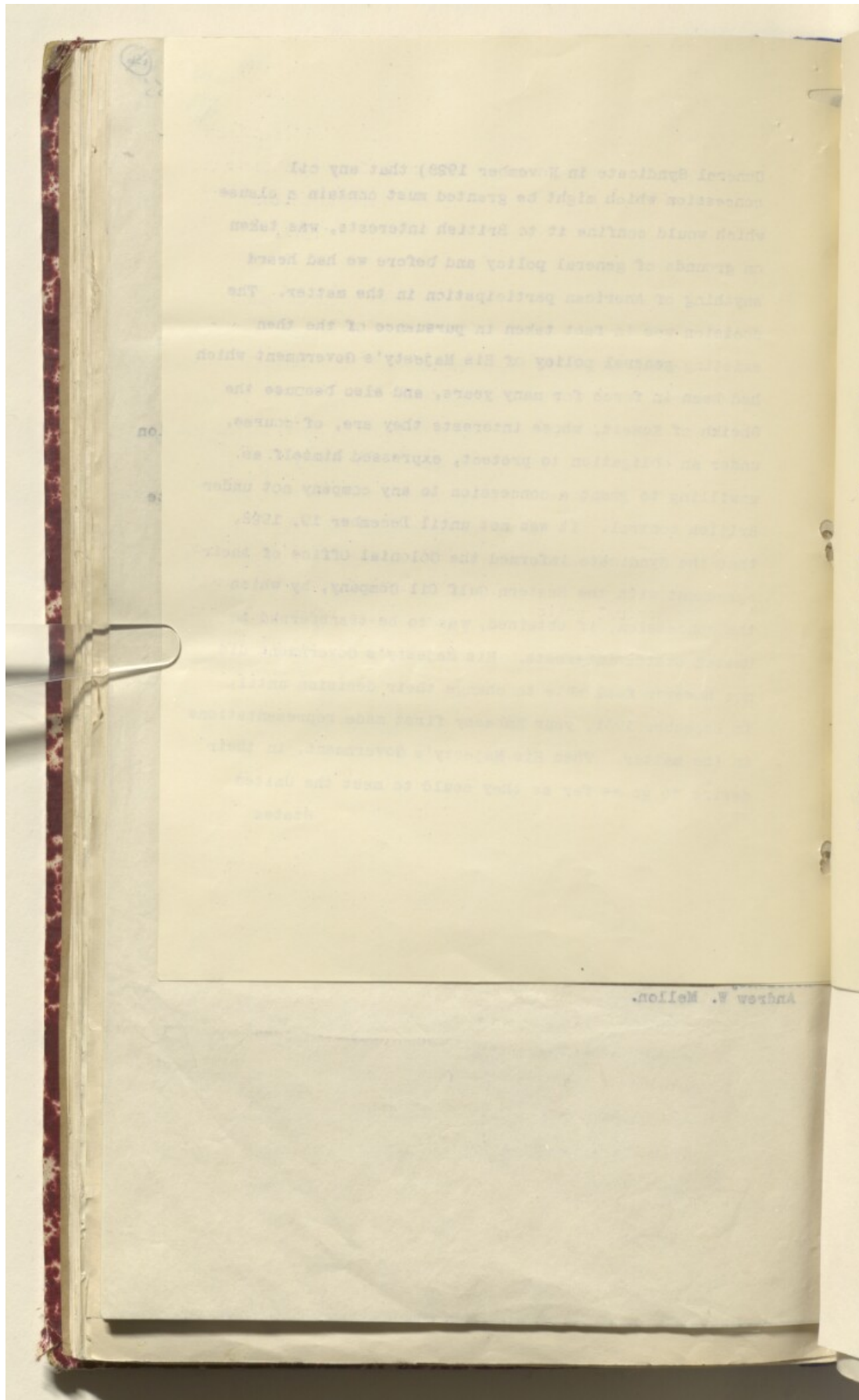
General

Excellency
The Honourable
Andrew W. Mellon.





General Syndicate in November 1928) that any oil concession which might be granted must contain a clause which would confine it to British interests, was taken on grounds of general policy and before we had heard anything of American participation in the matter. The decision was in fact taken in pursuance of the then existing general policy of His Majesty's Government which had been in force for many years, and also because the Sheikh of Koweit, whose interests they are, of course, under an obligation to protect, expressed himself as unwilling to grant a concession to any company not under British control. It was not until December 19, 1928, that the Syndicate informed the Colonial Office of their agreement with the Eastern Gulf Oil Company, by which the concession, if obtained, was to be transferred to United States interests. His Majesty's Government did not however feel able to change their decision until, in December 1931, your Embassy first made representations in the matter. Then His Majesty's Government, in their desire to go as far as they could to meet the United States

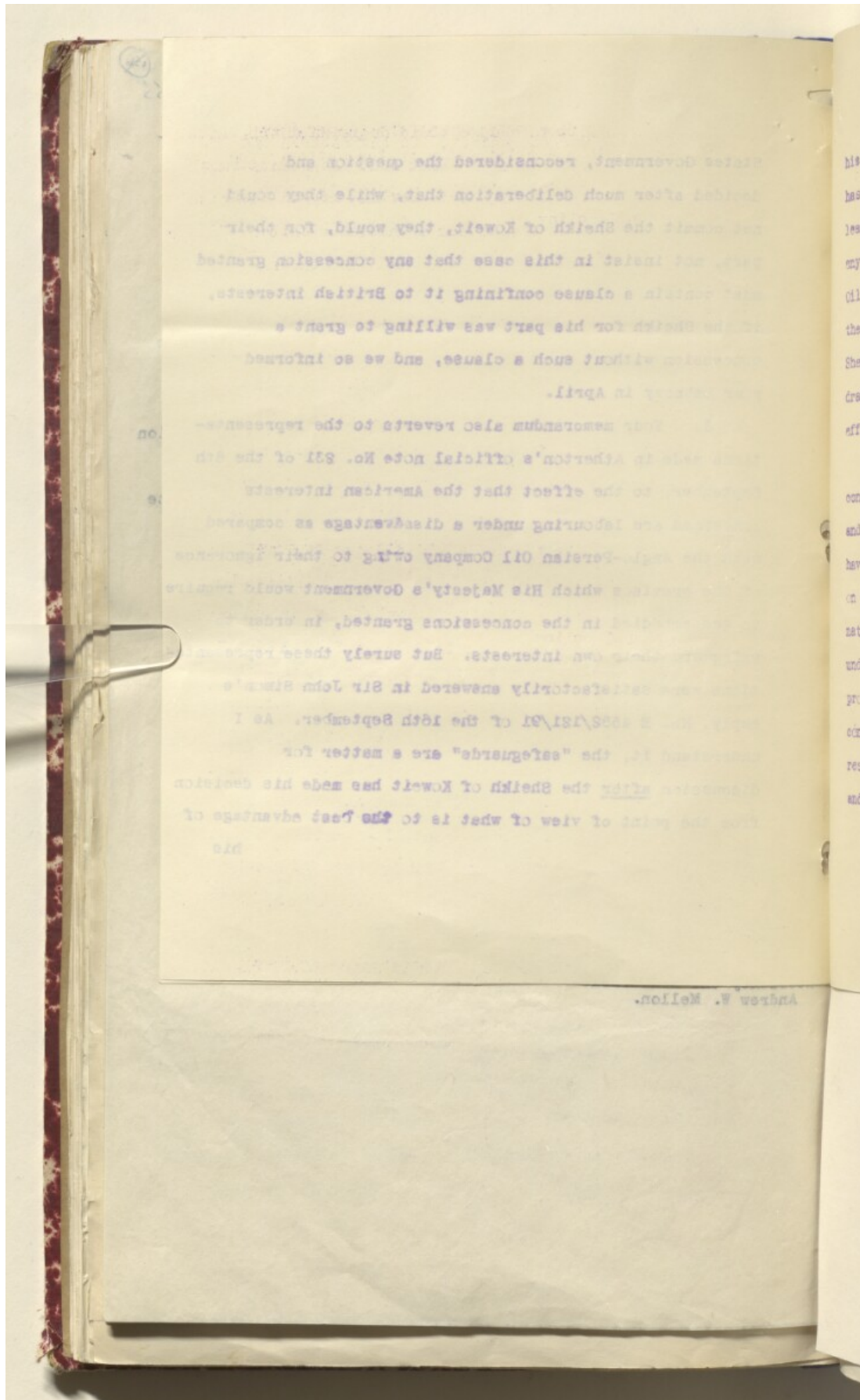




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States Government, reconsidered the question and decided after much deliberation that, while they could not commit the Sheikh of Koweit, they would, for their part, not insist in this case that any concession granted must contain a clause confining it to British interests, if the Sheikh for his part was willing to grant a concession without such a clause, and we so informed your Embassy in April.

3. Your memorandum also reverts to the representations made in Atherton's official note No. 231 of the 6th September, to the effect that the American interests concerned are labouring under a disadvantage as compared with the Anglo-Persian Oil Company owing to their ignorance of the provisos which His Majesty's Government would require to see embodied in the concessions granted, in order to safeguard their own interests. But surely these representations were satisfactorily answered in Sir John Simon's reply, No. E 4582/121/91 of the 16th September. As I understand it, the "safeguards" are a matter for discussion after the Sheikh of Koweit has made his decision from the point of view of what is to the best advantage of his

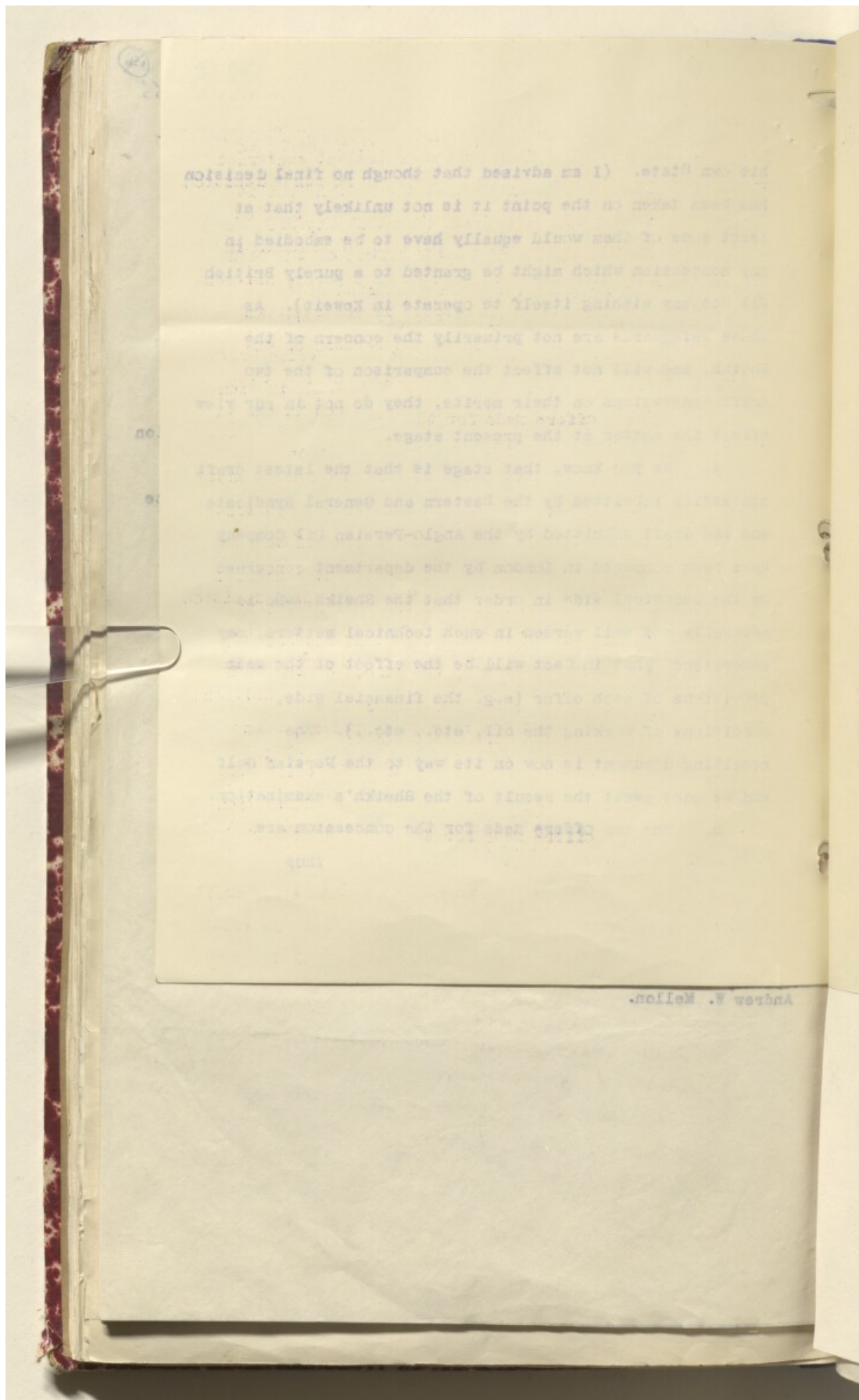




his own State. (I am advised that though no final decision has been taken on the point it is not unlikely that at least some of them would equally have to be embodied in any concession which might be granted to a purely British Oil Company wishing itself to operate in Koweit). As these safeguards are not primarily the concern of the Sheikh, and will not affect the comparison of the two draft concessions on their merits, they do not in our view affect the matter at the present stage.

4. As you know, that stage is that the latest draft concession submitted by the Eastern and General Syndicate and the draft submitted by the Anglo-Persian Oil Company have been compared in London by the department concerned on the technical side in order that the Sheikh, who is naturally not well versed in such technical matters, may understand what in fact will be the effect of the main provisions of each offer (e.g. the financial side, conditions of working the oil, etc., etc.). The resulting document is now on its way to the Persian Gulf and we must await the result of the Sheikh's examination.

5. The two ~~offers~~ made for the concession are
thus





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thus being treated concurrently, and that, I feel sure you will appreciate, was the only correct course for His Majesty's Government to take in order to secure the most acceptable terms for the Sheikh. If only in his interest, His Majesty's Government were naturally bound, as Sir John Simon informed Atherton in his note No. E 1733/121/91 of the 9th April, to allow any interested company to consider whether they wanted to apply for a concession, and if so to give them time to do so. The Anglo-Persian Oil Company formally renewed their efforts to obtain a concession in Kuwait in August, 1931 (not October as mentioned in your memorandum).

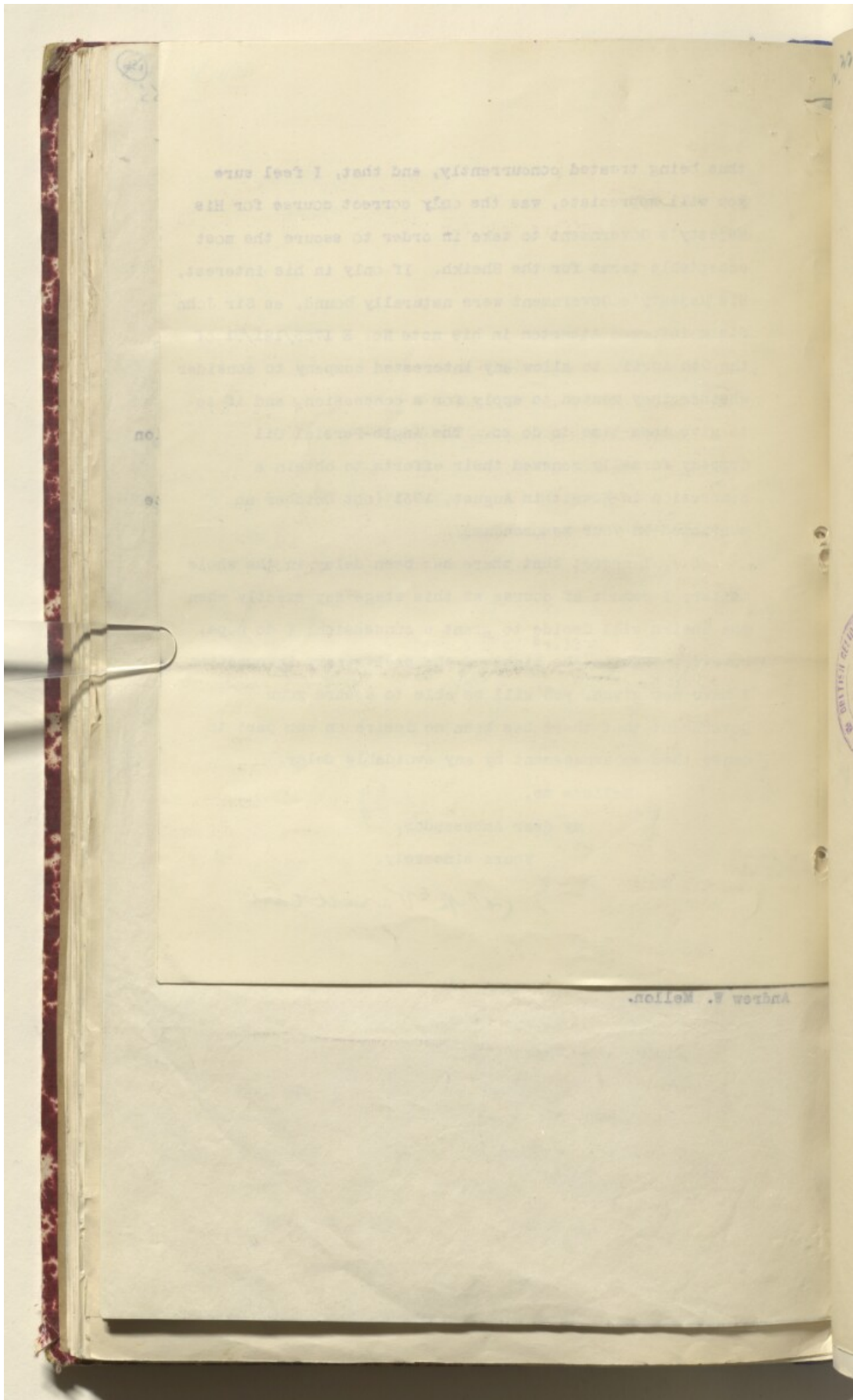
6. I regret that there has been delay in the whole matter; I cannot of course at this stage say exactly when the Sheikh will decide to grant a concession; I do hope, however, that in the light of the preliminary information I have now given, you will be able to assure your Government that there has been no desire on our part to cause them embarrassment by any avoidable delay.

Believe me,

My dear Ambassador,

Yours sincerely,

Edw. R. Venetian





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CONFIDENTIAL.

No. 956-S of 1932.

To Political Resident, Bushire.

The Secretary to the Hon'ble the Political Resident in the Persian Gulf presents his compliments to

The Political Agent,
Muwait.

and is directed to transmit to him a copy of the undermentioned document.

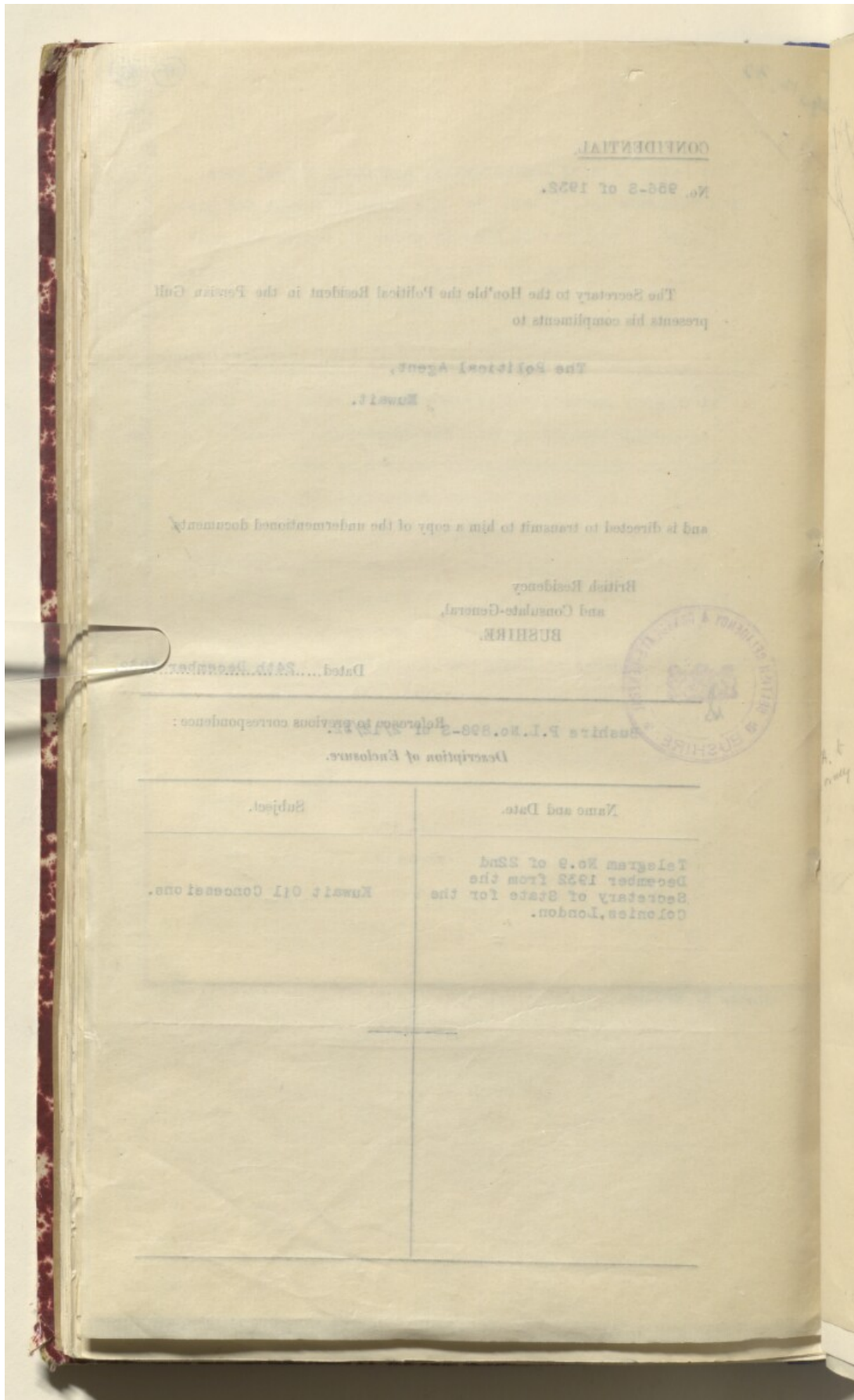
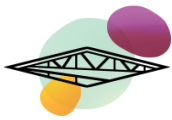
British Residency
and Consulate-General,
BUSHIRE.

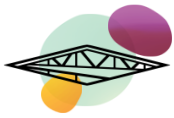
Dated.....24th December..1932.

Reference to previous correspondence :
Bushire P.L.No.898-S of 2/12/32.

Description of Enclosure.

Name and Date.	Subject.
Telegram No.9 of 22nd December 1932 from the Secretary of State for the Colonies,London.	Kuwait Oil Concessions.



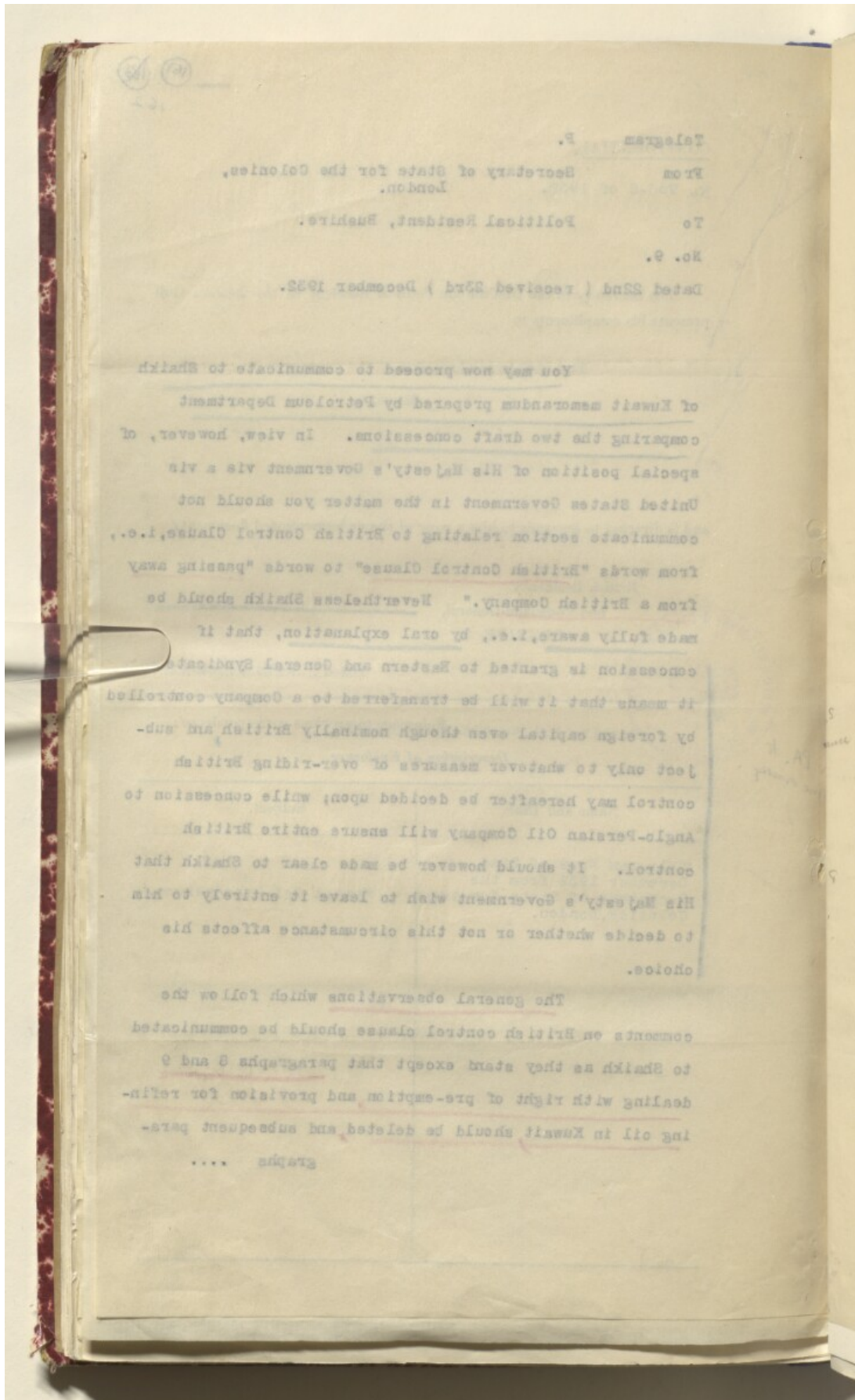
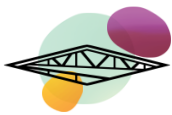


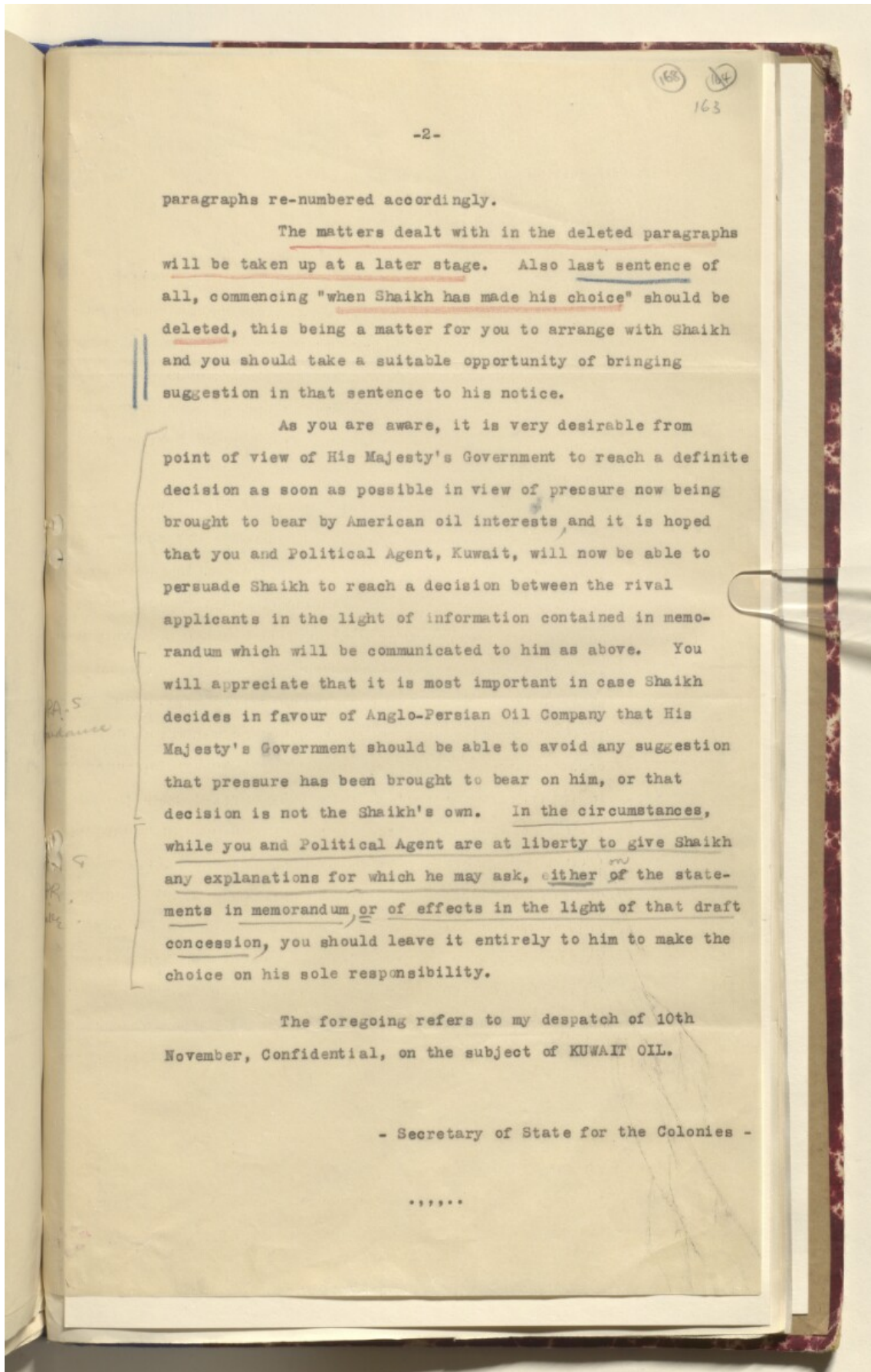
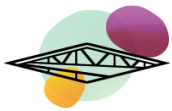
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162

Telegram P.
From Secretary of State for the Colonies,
London.
To Political Resident, Bushire.
No. 9.
Dated 22nd (received 23rd) December 1932.

You may now proceed to communicate to Shaikh of Kuwait memorandum prepared by Petroleum Department comparing the two draft concessions. In view, however, of special position of His Majesty's Government vis a vis United States Government in the matter you should not communicate section relating to British Control Clause, i.e., from words "British Control Clause" to words "passing away from a British Company." Nevertheless Shaikh should be made fully aware, i.e., by oral explanation, that if concession is granted to Eastern and General Syndicate it means that it will be transferred to a Company controlled by foreign capital even though nominally British and subject only to whatever measures of over-riding British control may hereafter be decided upon; while concession to Anglo-Persian Oil Company will ensure entire British control. It should however be made clear to Shaikh that His Majesty's Government wish to leave it entirely to him to decide whether or not this circumstance affects his choice.

The general observations which follow the comments on British control clause should be communicated to Shaikh as they stand except that paragraphs 8 and 9 dealing with right of pre-emption, and provision for refining oil in Kuwait, should be deleted, and subsequent paragraphs





-2-

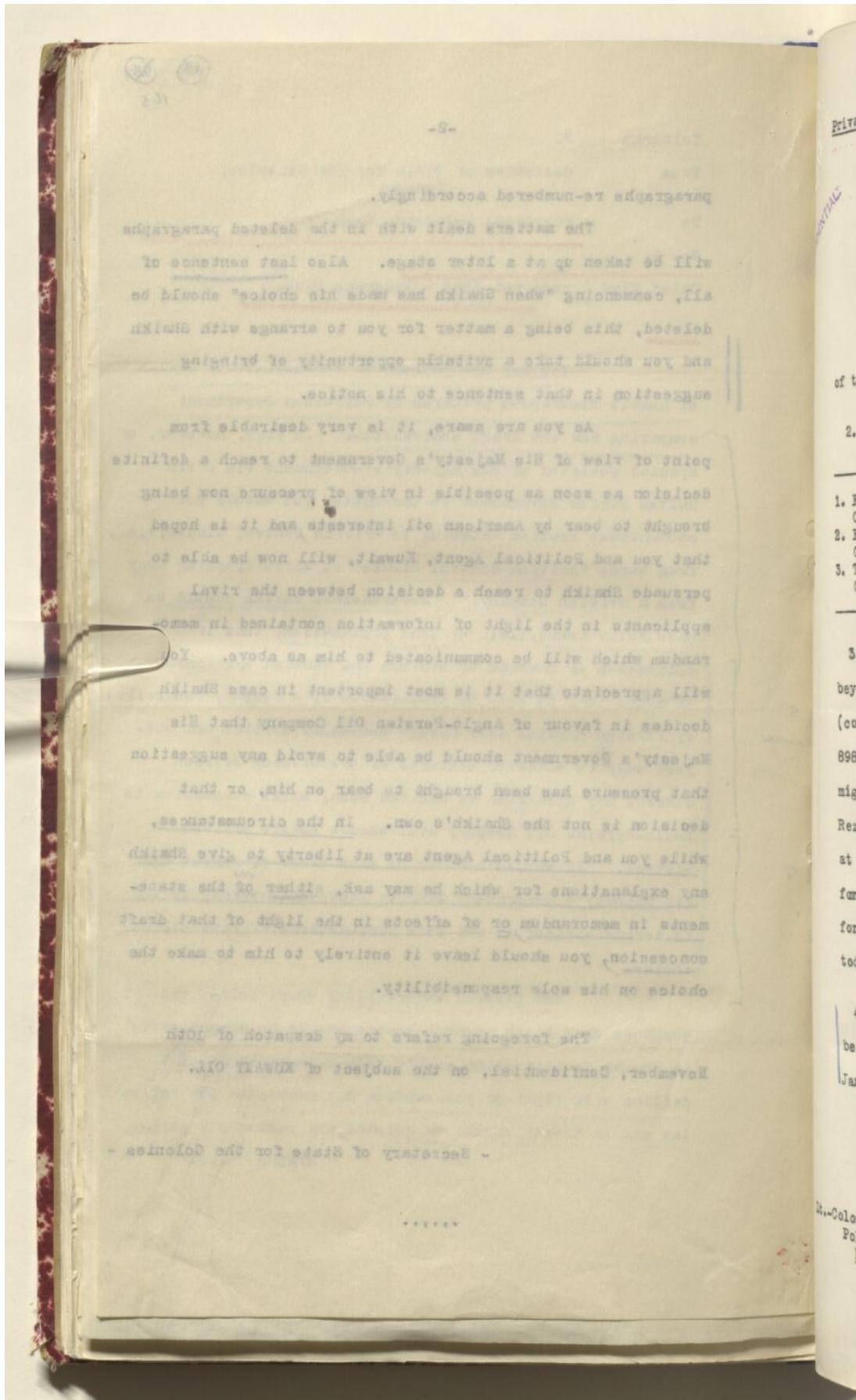
paragraphs re-numbered accordingly.

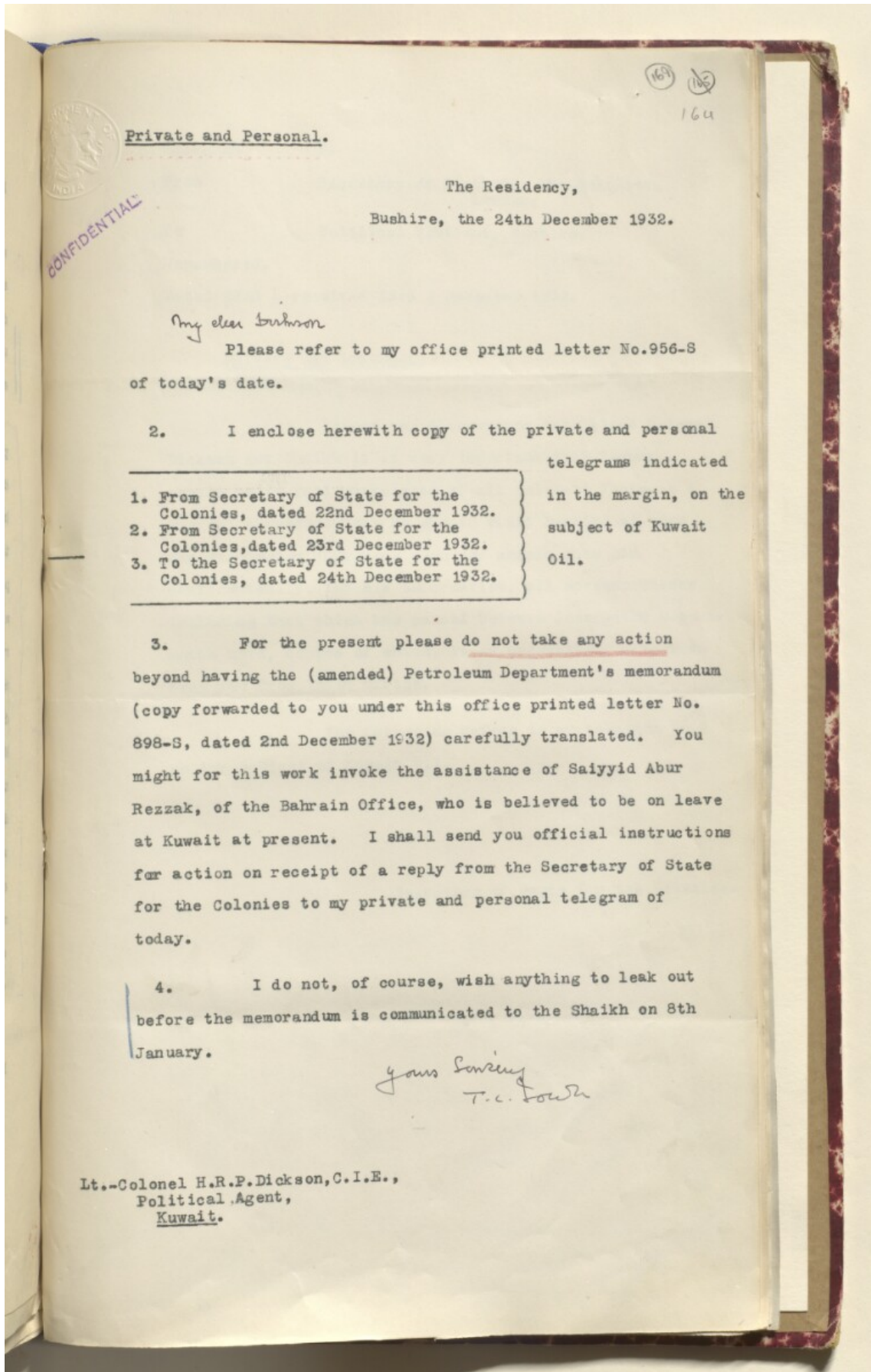
The matters dealt with in the deleted paragraphs will be taken up at a later stage. Also last sentence of all, commencing "when Shaikh has made his choice" should be deleted, this being a matter for you to arrange with Shaikh and you should take a suitable opportunity of bringing suggestion in that sentence to his notice.

As you are aware, it is very desirable from point of view of His Majesty's Government to reach a definite decision as soon as possible in view of pressure now being brought to bear by American oil interests and it is hoped that you and Political Agent, Kuwait, will now be able to persuade Shaikh to reach a decision between the rival applicants in the light of information contained in memorandum which will be communicated to him as above. You will appreciate that it is most important in case Shaikh decides in favour of Anglo-Persian Oil Company that His Majesty's Government should be able to avoid any suggestion that pressure has been brought to bear on him, or that decision is not the Shaikh's own. In the circumstances, while you and Political Agent are at liberty to give Shaikh any explanations for which he may ask, either of the statements in memorandum, or of effects in the light of that draft concession, you should leave it entirely to him to make the choice on his sole responsibility.

The foregoing refers to my despatch of 10th November, Confidential, on the subject of KUWAIT OIL.

- Secretary of State for the Colonies -





Private and Personal.

The Residency,
Bushire, the 24th December 1932.

My dear Sir,

Please refer to my office printed letter No.956-S
of today's date.

2. I enclose herewith copy of the private and personal

telegrams indicated
in the margin, on the
subject of Kuwait
Oil.

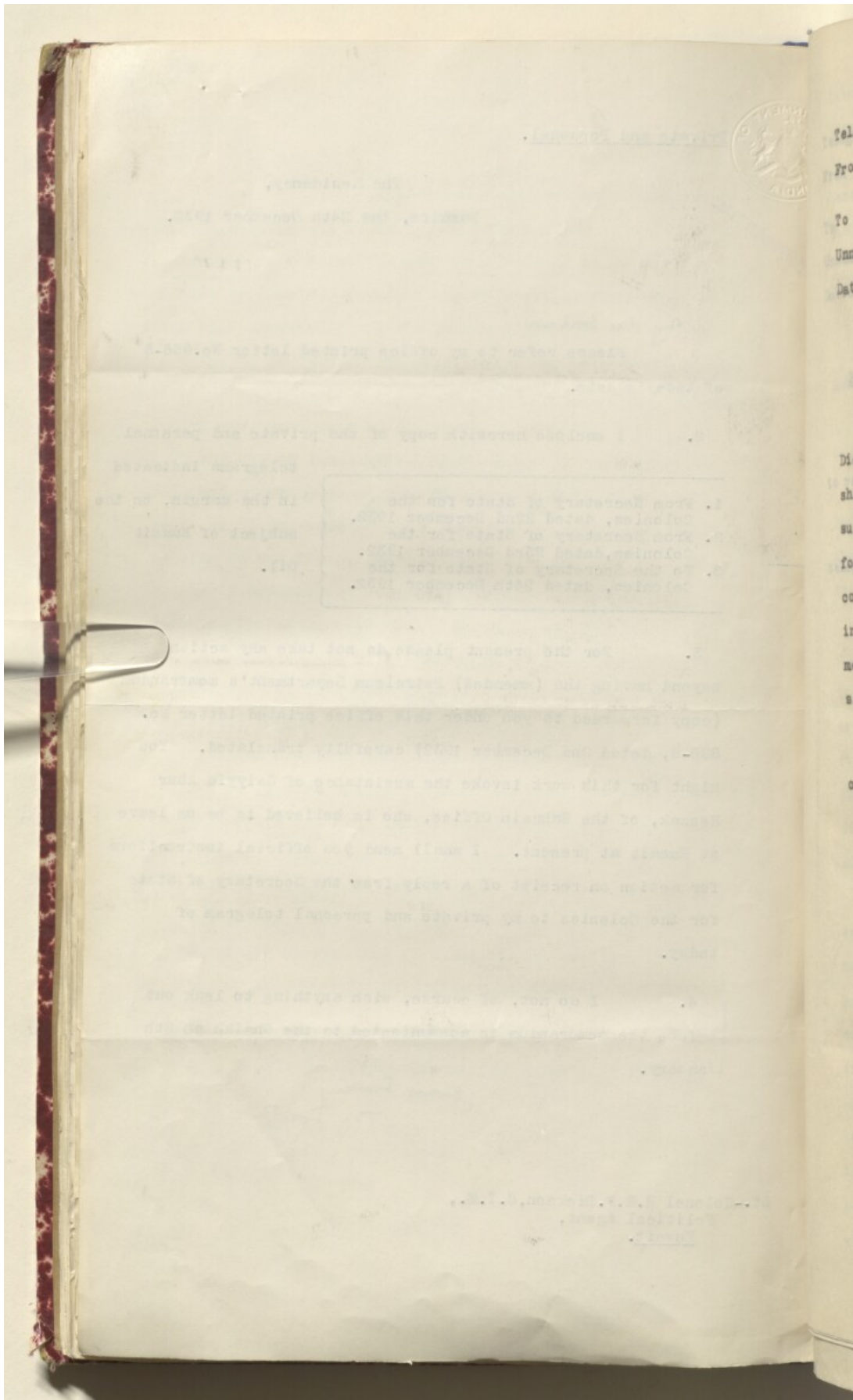
1. From Secretary of State for the Colonies, dated 22nd December 1932.
2. From Secretary of State for the Colonies, dated 23rd December 1932.
3. To the Secretary of State for the Colonies, dated 24th December 1932.

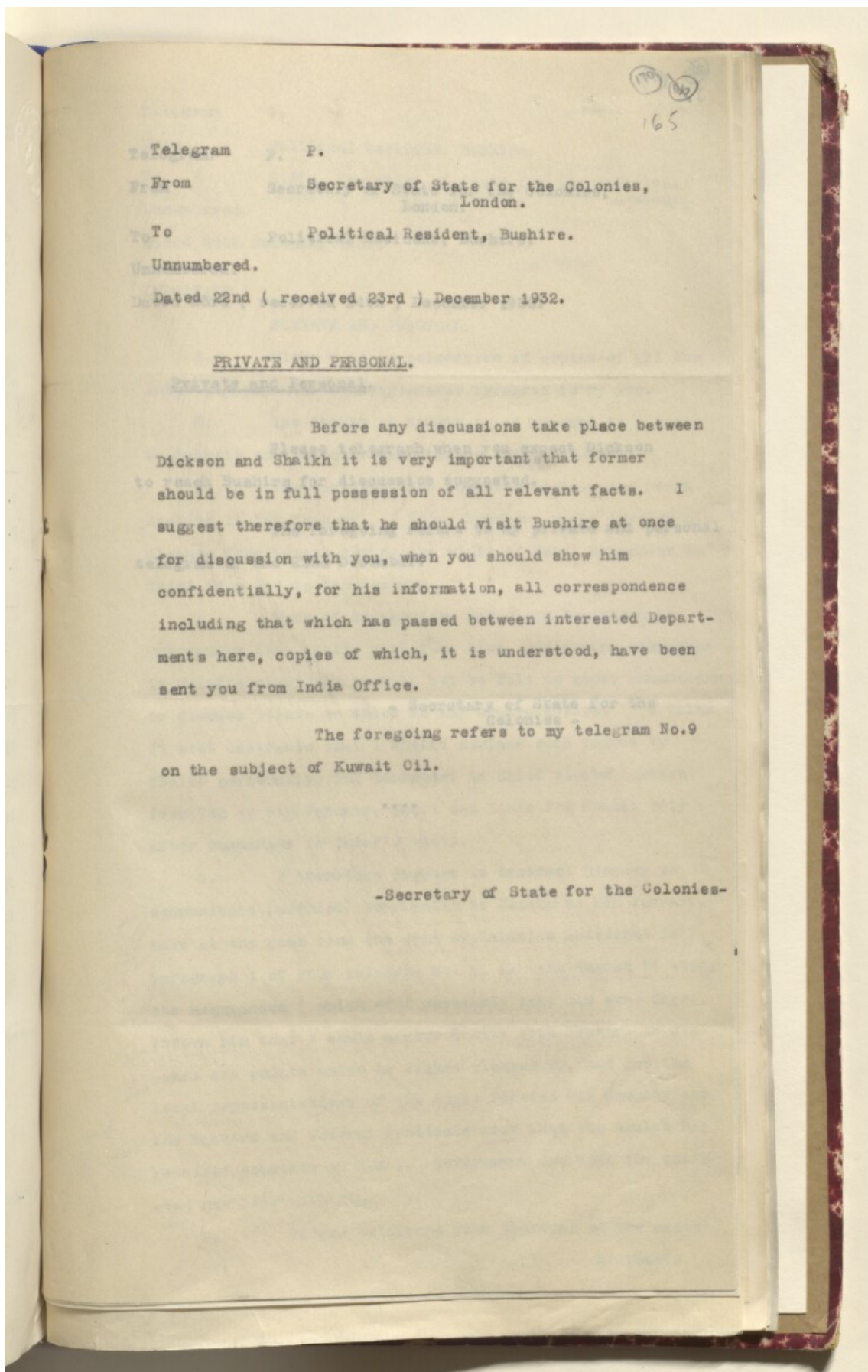
3. For the present please do not take any action beyond having the (amended) Petroleum Department's memorandum (copy forwarded to you under this office printed letter No. 898-S, dated 2nd December 1932) carefully translated. You might for this work invoke the assistance of Saiyyid Abur Rezzak, of the Bahrain Office, who is believed to be on leave at Kuwait at present. I shall send you official instructions for action on receipt of a reply from the Secretary of State for the Colonies to my private and personal telegram of today.

4. I do not, of course, wish anything to leak out before the memorandum is communicated to the Shaikh on 8th January.

Yours sincerely
T.C. Lowry

Lt.-Colonel H.R.P. Dickson, C.I.E.,
Political Agent,
Kuwait.





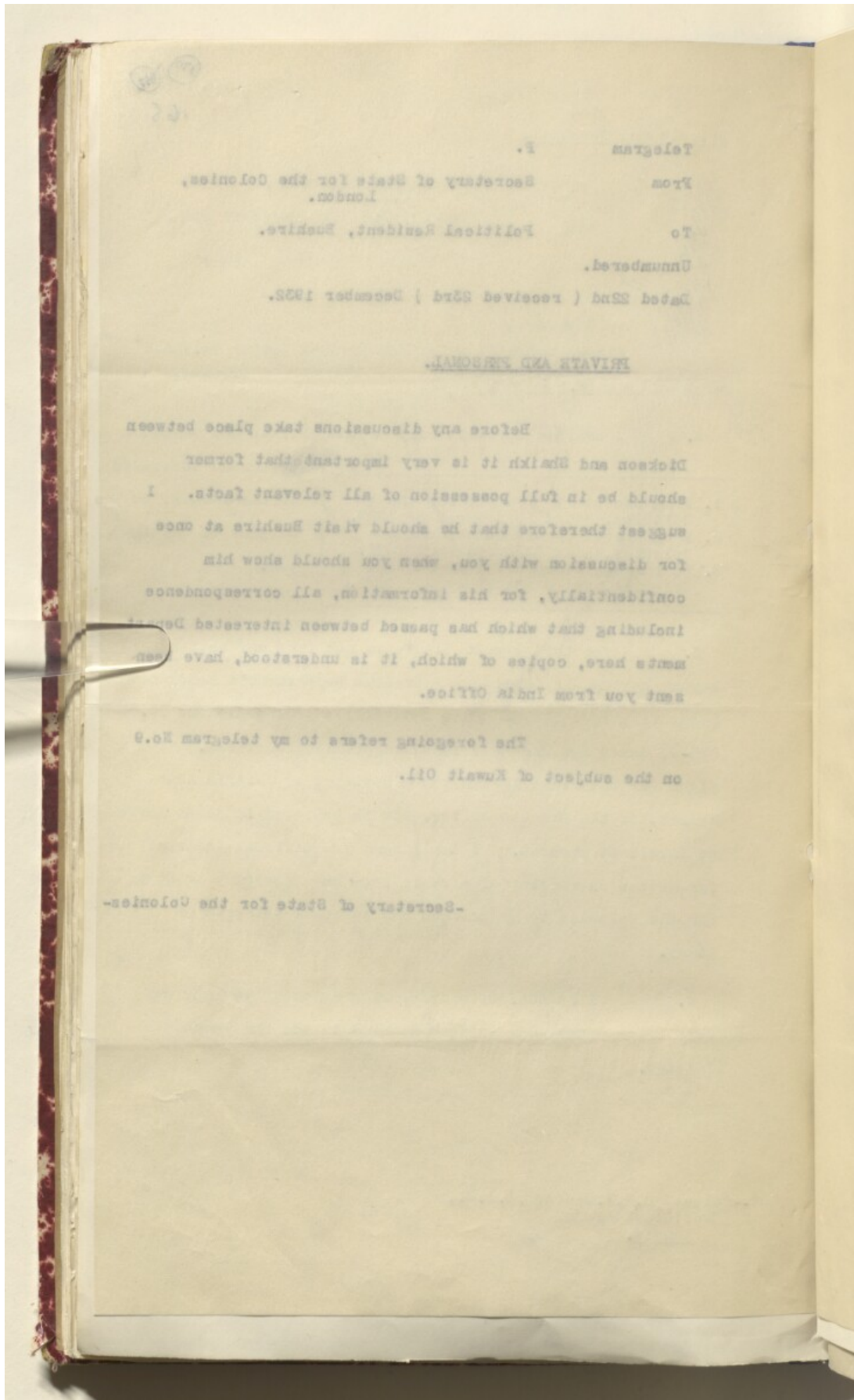
Telegram P.
From Secretary of State for the Colonies,
London.
To Political Resident, Bushire.
Unnumbered.
Dated 22nd (received 23rd) December 1932.

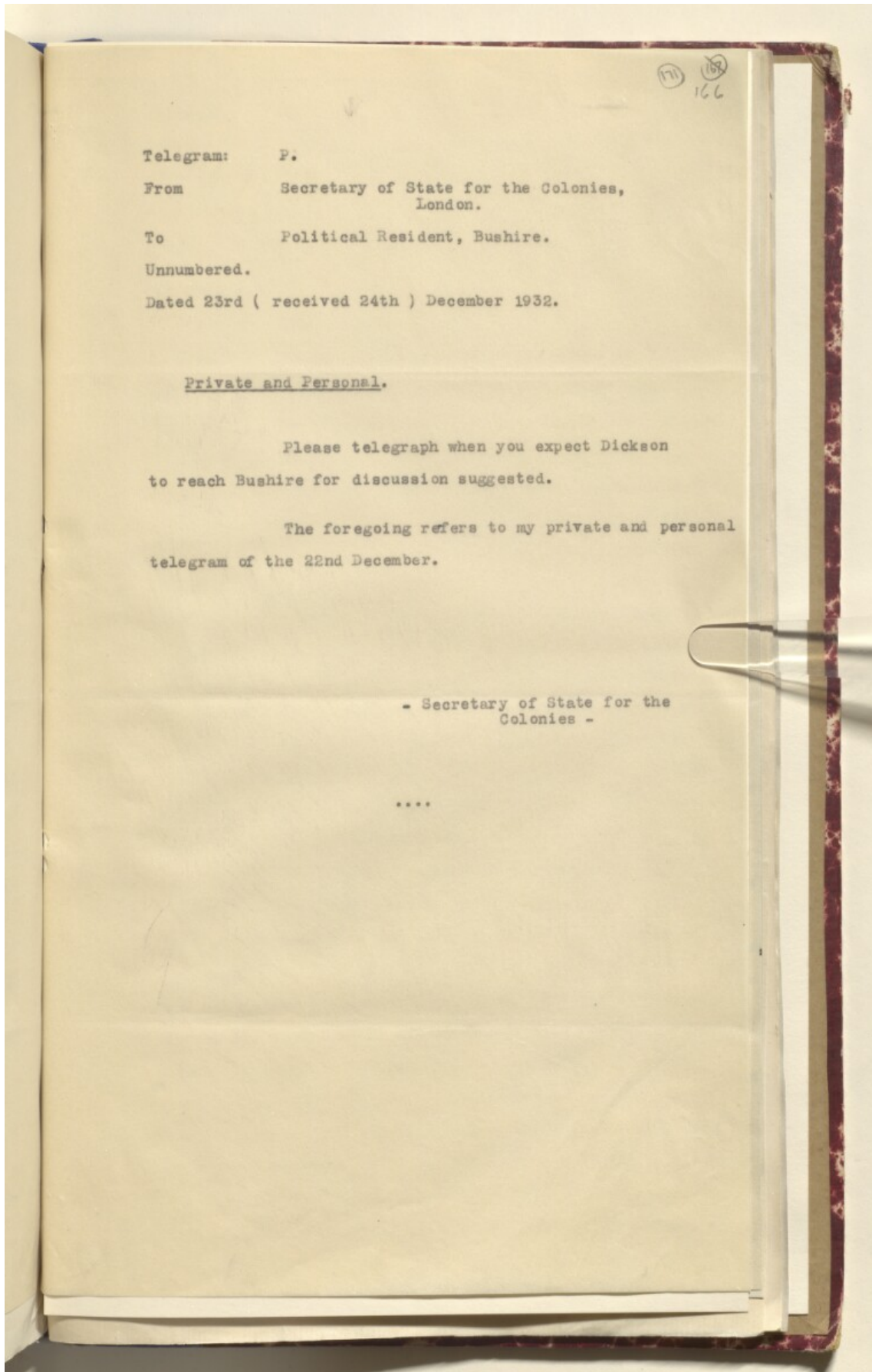
PRIVATE AND PERSONAL.

Before any discussions take place between Dickson and Shaikh it is very important that former should be in full possession of all relevant facts. I suggest therefore that he should visit Bushire at once for discussion with you, when you should show him confidentially, for his information, all correspondence including that which has passed between interested Departments here, copies of which, it is understood, have been sent you from India Office.

The foregoing refers to my telegram No.9 on the subject of Kuwait Oil.

-Secretary of State for the Colonies-





Telegram: P.
From Secretary of State for the Colonies,
London.
To Political Resident, Bushire.
Unnumbered.
Dated 23rd (received 24th) December 1932.

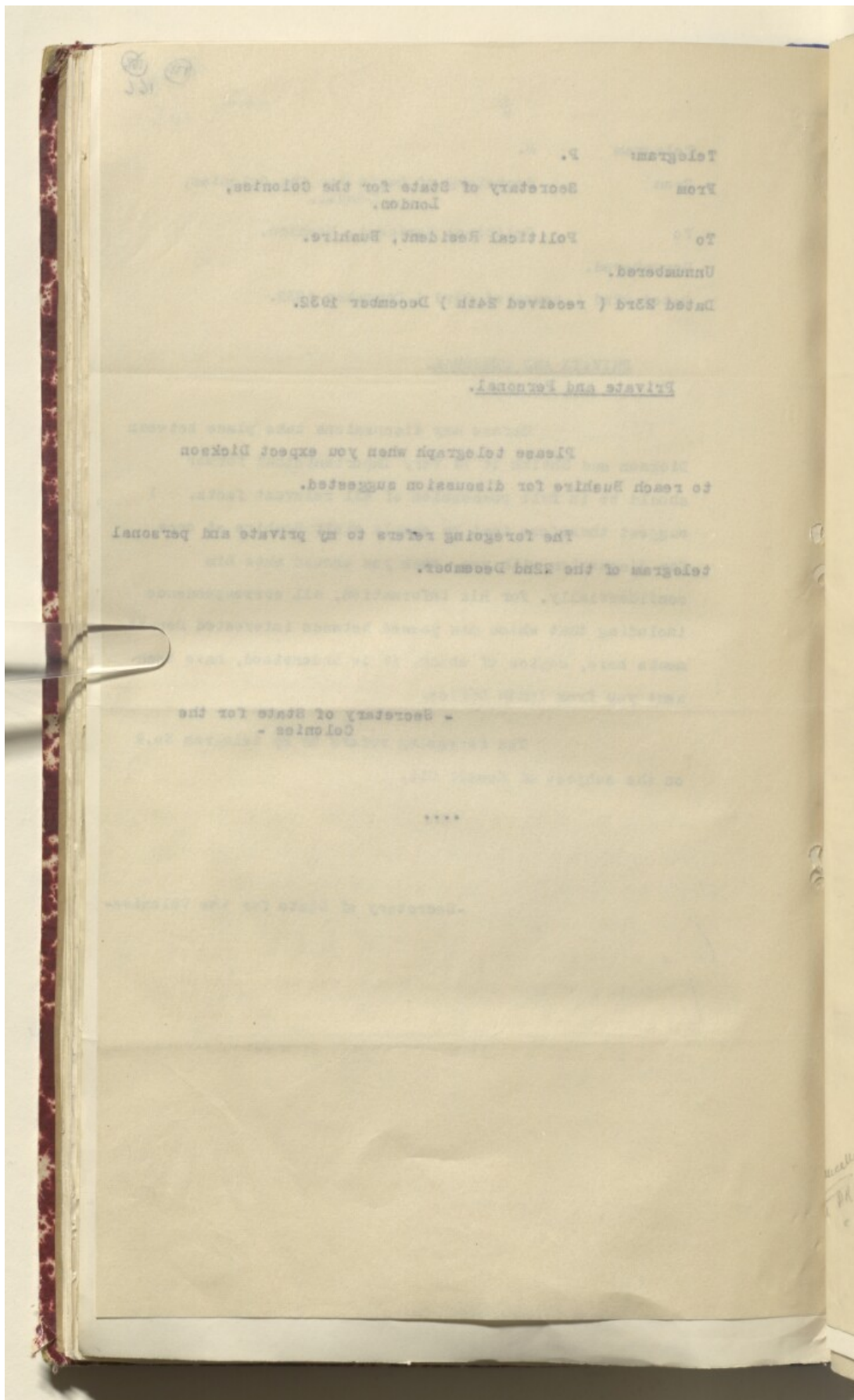
Private and Personal.

Please telegraph when you expect Dickson
to reach Bushire for discussion suggested.

The foregoing refers to my private and personal
telegram of the 22nd December.

- Secretary of State for the
Colonies -

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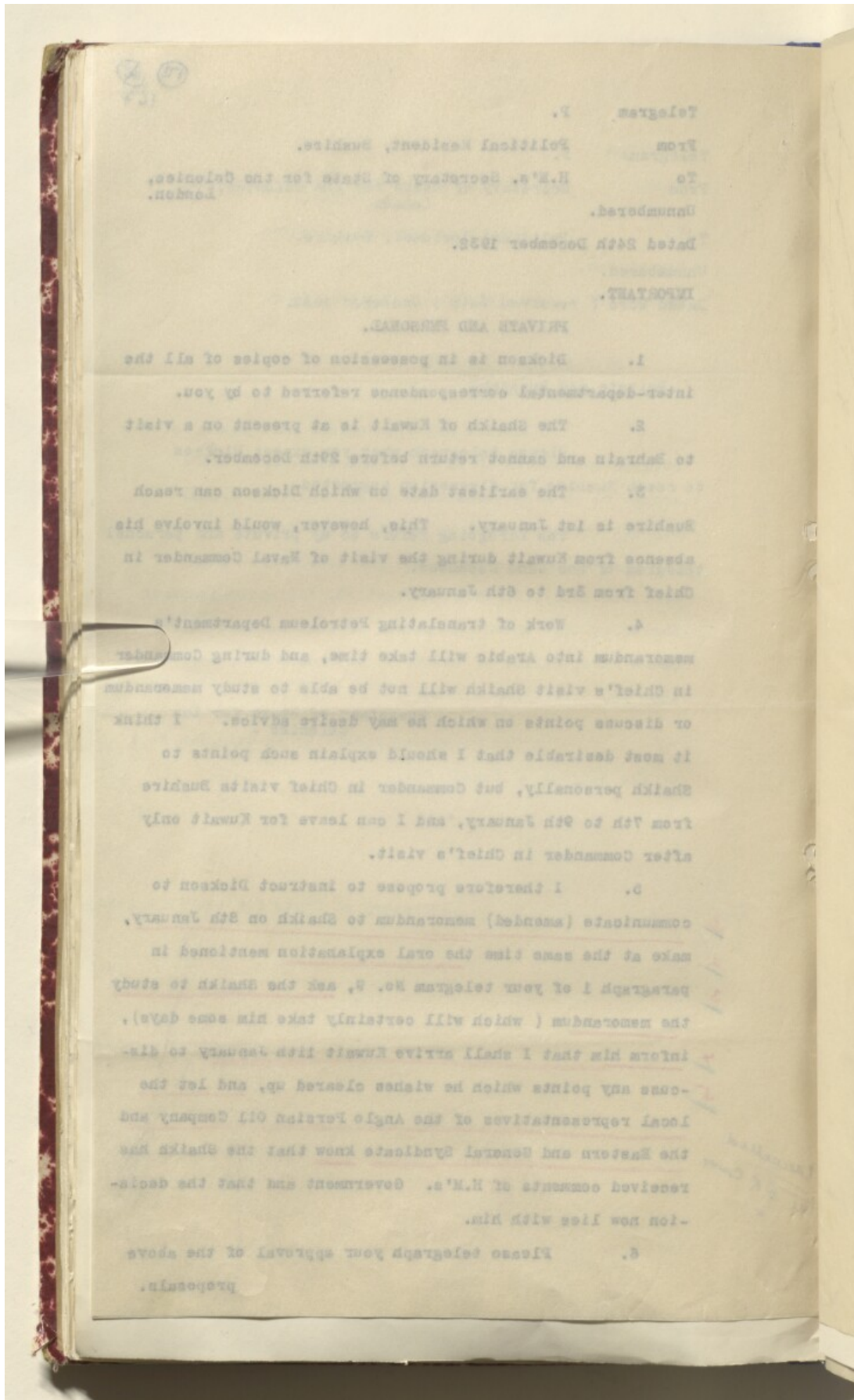
Telegram P.
From Political Resident, Bushire.
To H.M.'s. Secretary of State for the Colonies,
Unnumbered. London.
Dated 24th December 1932.

IMPORTANT.

PRIVATE AND PERSONAL.

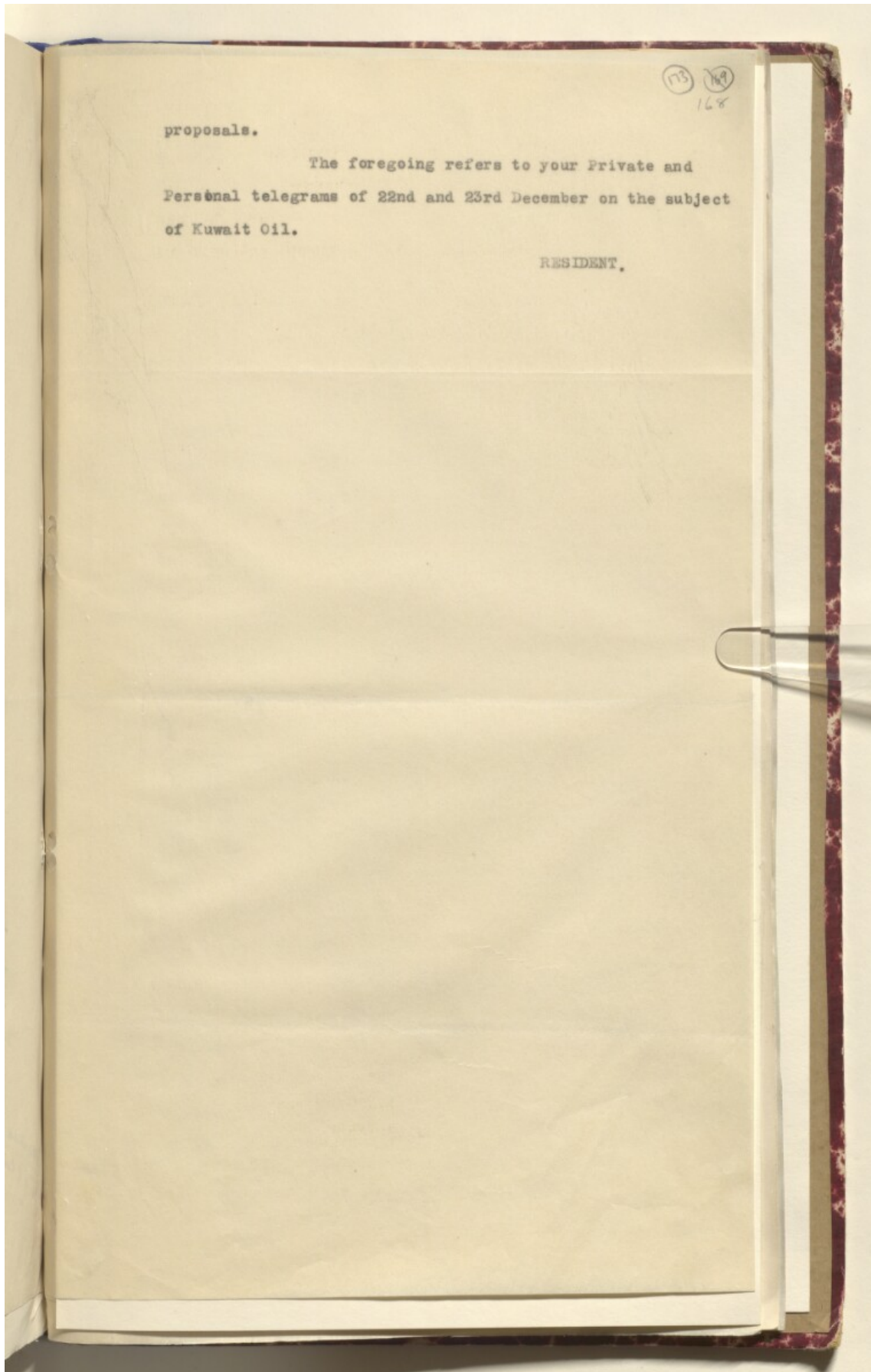
1. Dickson is in possession of copies of all the inter-departmental correspondence referred to by you.
2. The Shaikh of Kuwait is at present on a visit to Bahrain and cannot return before 29th December.
3. The earliest date on which Dickson can reach Bushire is 1st January. This, however, would involve his absence from Kuwait during the visit of Naval Commander in Chief from 3rd to 6th January.
4. Work of translating Petroleum Department's memorandum into Arabic will take time, and during Commander in Chief's visit Shaikh will not be able to study memorandum or discuss points on which he may desire advice. I think it most desirable that I should explain such points to Shaikh personally, but Commander in Chief visits Bushire from 7th to 9th January, and I can leave for Kuwait only after Commander in Chief's visit.
5. I therefore propose to instruct Dickson to communicate (amended) memorandum to Shaikh on 8th January, make at the same time the oral explanation mentioned in paragraph 1 of your telegram No. 9, ask the Shaikh to study the memorandum (which will certainly take him some days), inform him that I shall arrive Kuwait 11th January to discuss any points which he wishes cleared up, and let the local representatives of the Anglo Persian Oil Company and the Eastern and General Syndicate know that the Shaikh has received comments of H.M.'s. Government and that the decision now lies with him.
6. Please telegraph your approval of the above proposals.

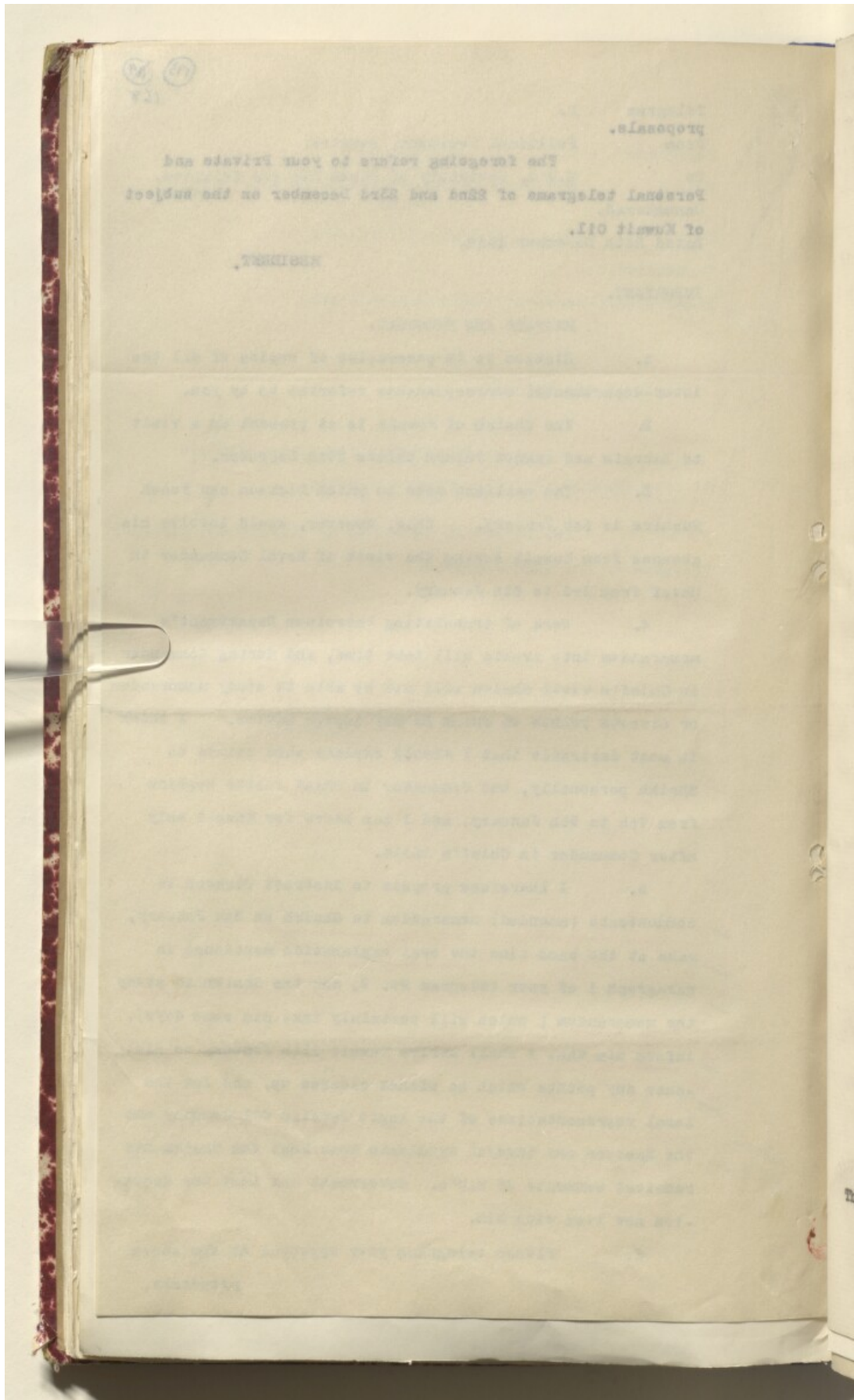
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the D.R. Copy





"ملف ٥ / ١٧ شركة نفط الكويت" [١٧٣] (٣٩٢/٣٥٠)







SECRET.

D.O.No.218.

Political Agency, Kuwait.

Dated the 28th December 1932.

Will you refer to your confidential No.916 dated the 16th December and enclosure, Admiralty letter M.02977/32 of 18th November to the Colonial Office, on the subject of the Kuwait Oil Concession.

2. The Admiralty's letter if I may say so is rather to the point, and largely voices my own views.

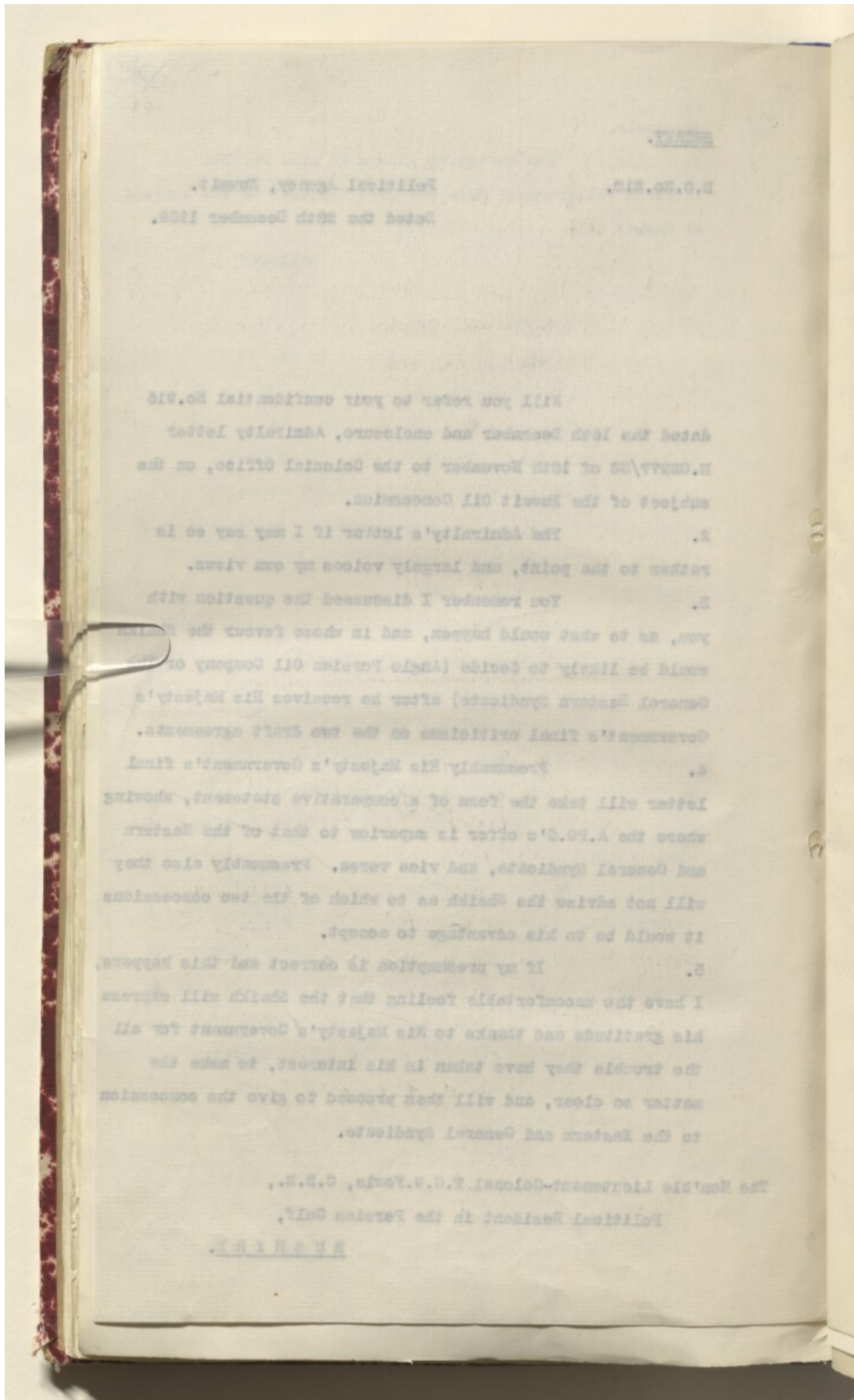
3. You remember I discussed the question with you, as to what would happen, and in whose favour the Shaikh would be likely to decide (Anglo Persian Oil Company or The General Eastern Syndicate) after he receives His Majesty's Government's final criticisms on the two draft agreements.

4. Presumably His Majesty's Government's final letter will take the form of a comparative statement, showing where the A.P.O.C's offer is superior to that of the Eastern and General Syndicate, and vice versa. Presumably also they will not advise the Shaikh as to which of the two concessions it would be to his advantage to accept.

5. If my presumption is correct and this happens, I have the uncomfortable feeling that the Shaikh will express his gratitude and thanks to His Majesty's Government for all the trouble they have taken in his interest, to make the matter so clear, and will then proceed to give the concession to the Eastern and General Syndicate.

The Hon'ble Lieutenant-Colonel T.C.W.Fowle, C.B.E.,
Political Resident in the Persian Gulf,

BUSHIRE.





-2-

6. You may ask "Why ^{to} the Eastern and General Syndicate, and not to the Anglo Persian Oil Company?".

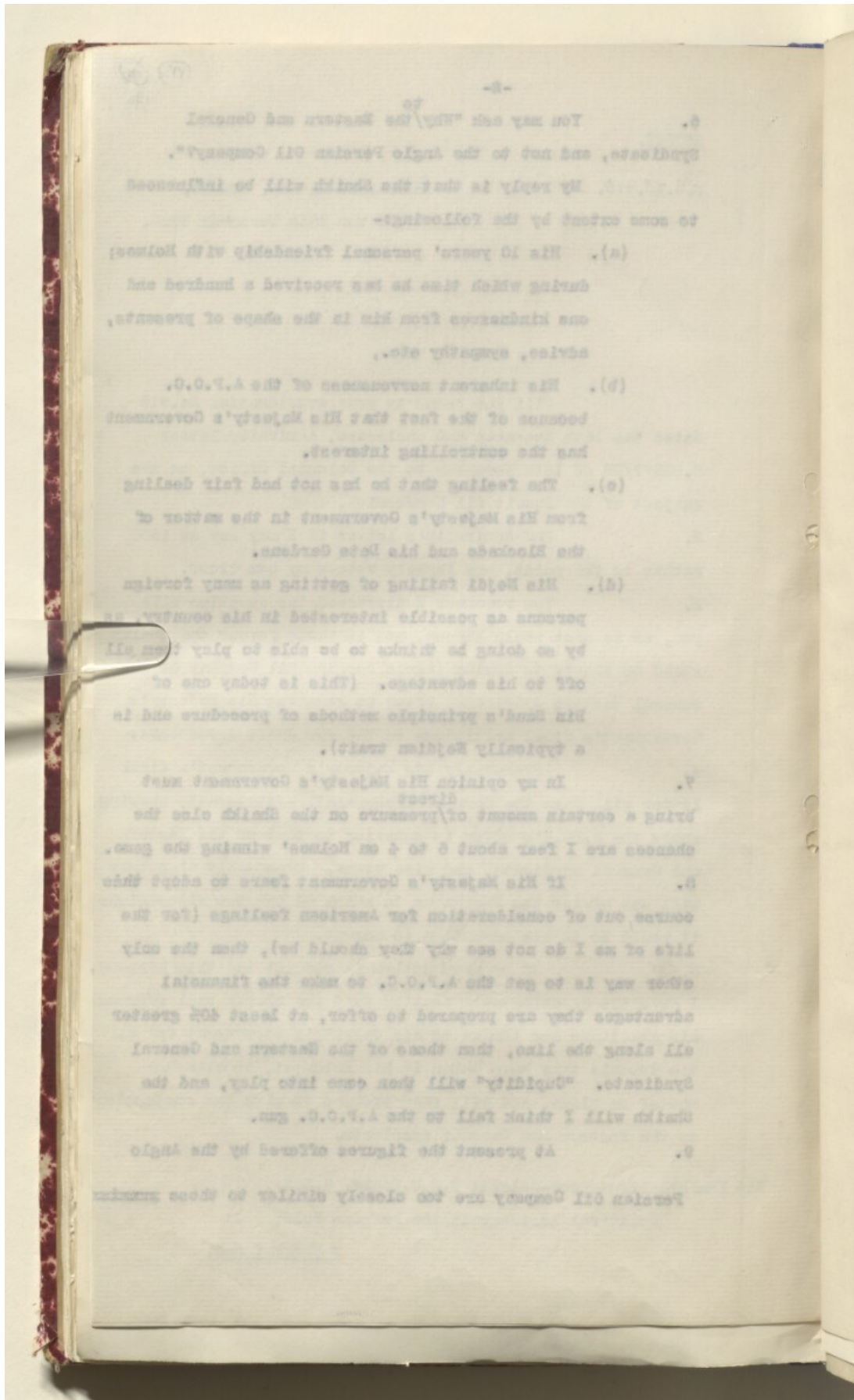
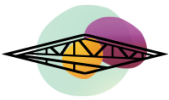
My reply is that the Shaikh will be influenced to some extent by the following:-

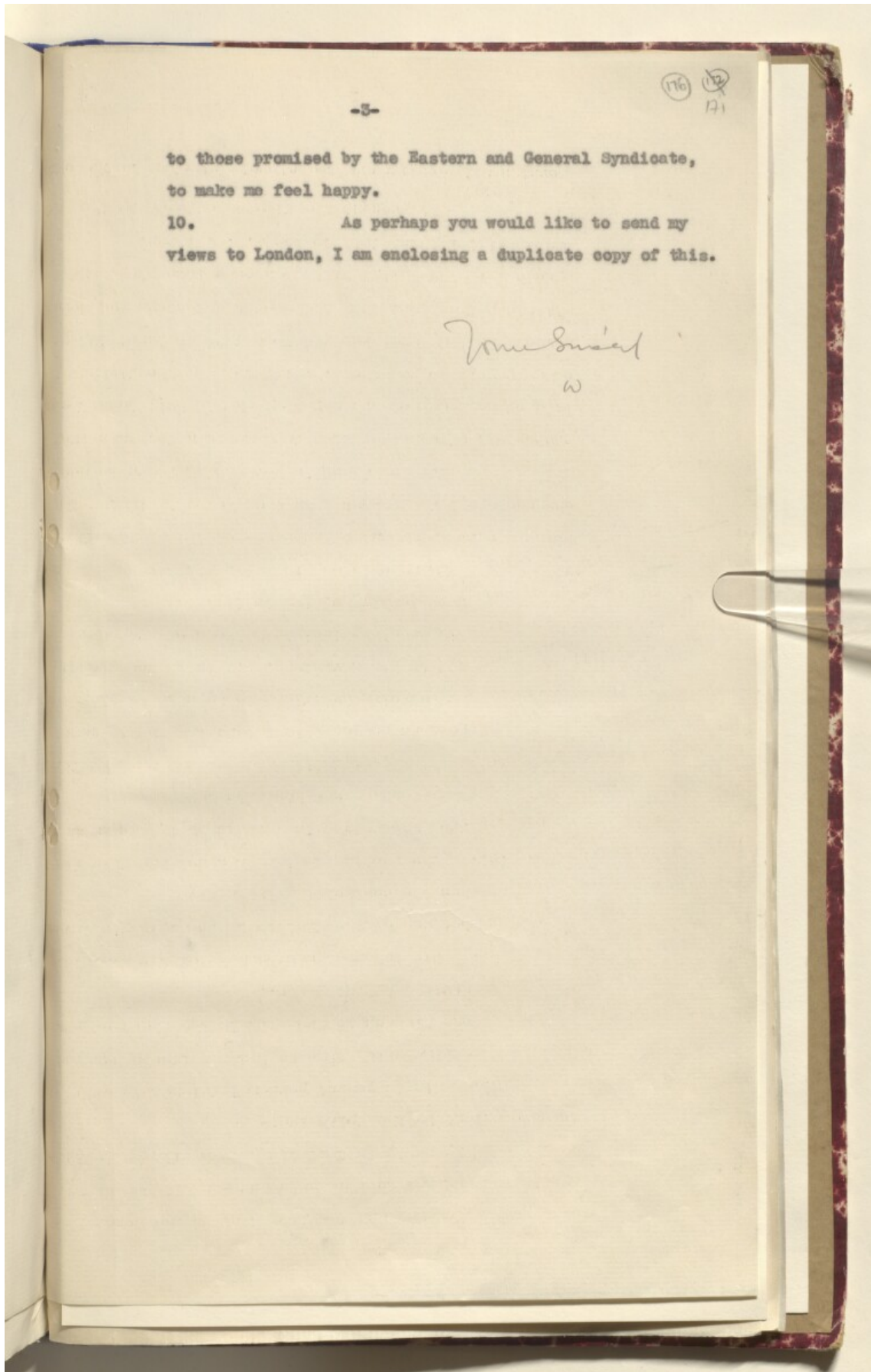
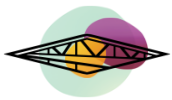
- (a). His 10 years' personal friendship with Holmes; during which time he has received a hundred and one kindnesses from him in the shape of presents, advice, sympathy etc.,
- (b). His inherent nervousness of the A.P.O.C. because of the fact that His Majesty's Government has the controlling interest.
- (c). The feeling that he has not had fair dealing from His Majesty's Government in the matter of the Blockade and his Date Gardens.
- (d). His Nejdî failing of getting as many foreign persons as possible interested in his country, as by so doing he thinks to be able to play them all off to his advantage. (This is today one of Bin Saud's principle methods of procedure and is a typically Nejdian trait).

7. In my opinion His Majesty's Government must bring a certain amount of ^{direct} pressure on the Shaikh else the chances are I fear about 6 to 4 on Holmes' winning the game.

8. If His Majesty's Government fears to adopt this course, out of consideration for American feelings (for the life of me I do not see why they should be), then the only other way is to get the A.P.O.C. to make the financial advantages they are prepared to offer, at least 40% greater all along the line, than those of the Eastern and General Syndicate. "Cupidity" will then come into play, and the Shaikh will I think fall to the A.P.O.C. gun.

9. At present the figures offered by the Anglo Persian Oil Company are too closely similar to those ~~presented~~



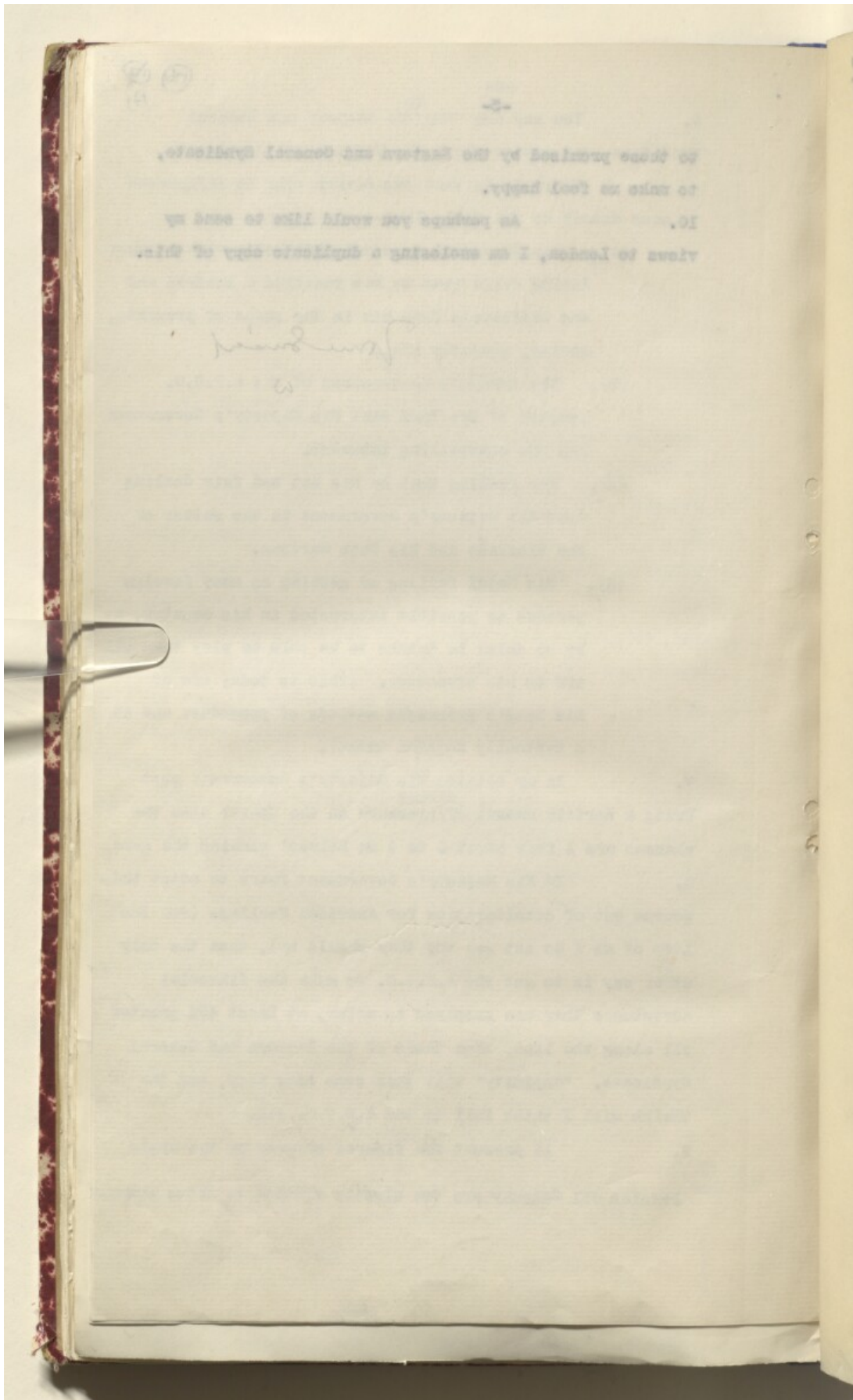
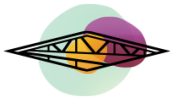


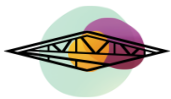
-3-

to those promised by the Eastern and General Syndicate,
to make me feel happy.

10. As perhaps you would like to send my
views to London, I am enclosing a duplicate copy of this.

J. M. Smith
W





45
29.12.32

61/11
(one free)

177 178
172

CONFIDENTIAL.

No.

The Hon'ble the Political Resident in the Persian Gulf presents his compliments to

H.M.'s. Secretary of State for the Colonies,
London, No. 53
The Foreign Secretary to the Government
of India, New Delhi
H.M.'s. Minister, Jedda, " 963-8.
The Political Agent, Kuwait, ✓

and has the honour to transmit to him a copy of the undermentioned document (4).

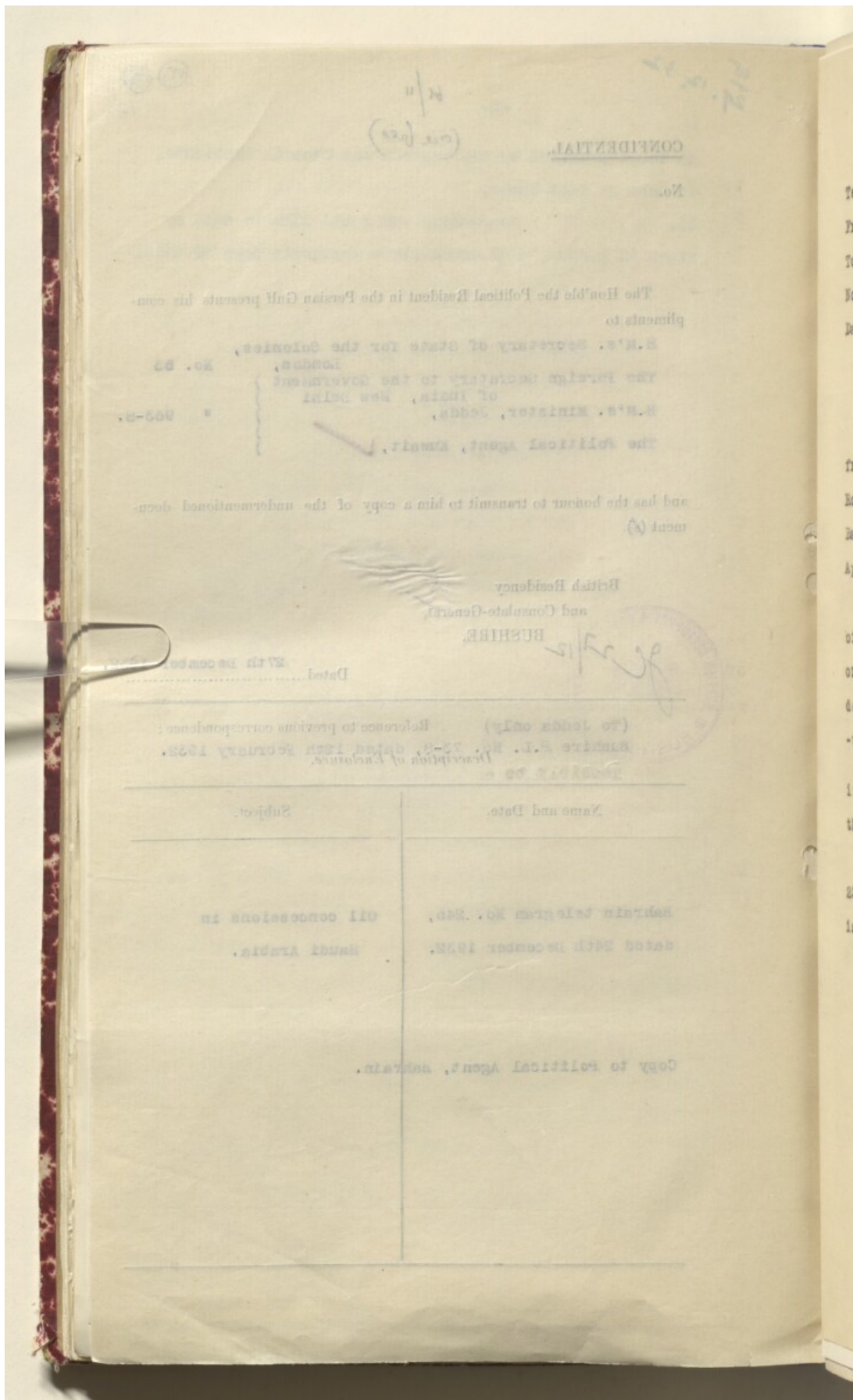
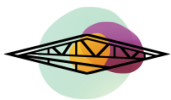
British Residency
and Consulate-General,
BUSHIRE.

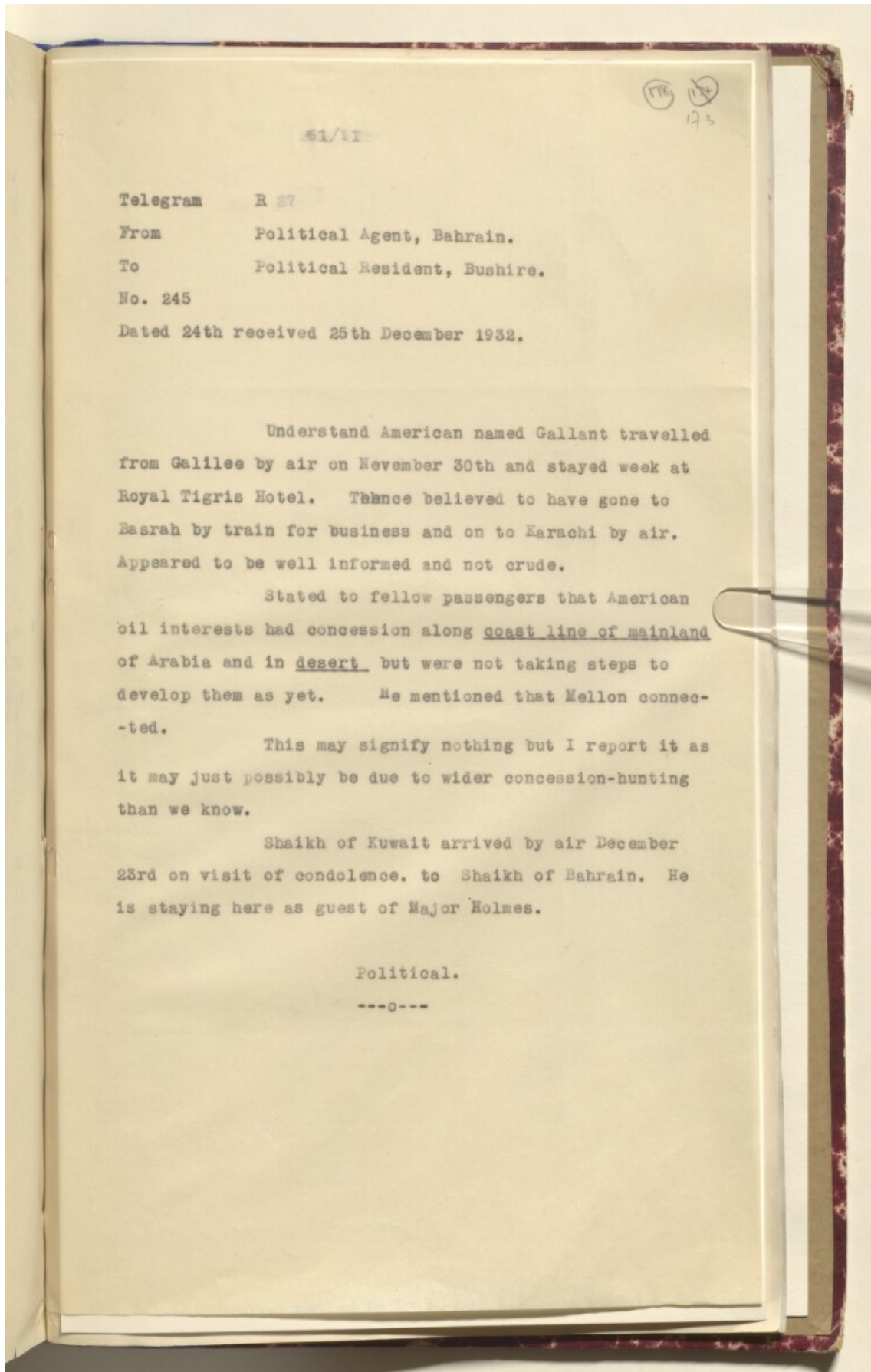
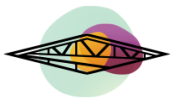
27/12

Dated 27th December 1932.

(To Jedda only) Reference to previous correspondence:
Bushire P.L. No. 73-8, dated 12th February 1932.
Description of Enclosure.

Name and Date.	Subject.
Bahrain telegram No. 245, dated 24th December 1932.	Oil concessions in Saudi Arabia.
Copy to Political Agent, Bahrain.	





Telegram R 27
From Political Agent, Bahrain.
To Political Resident, Bushire.
No. 245
Dated 24th received 25th December 1932.

Understand American named Gallant travelled from Galilee by air on November 30th and stayed week at Royal Tigris Hotel. Thence believed to have gone to Basrah by train for business and on to Karachi by air. Appeared to be well informed and not crude.

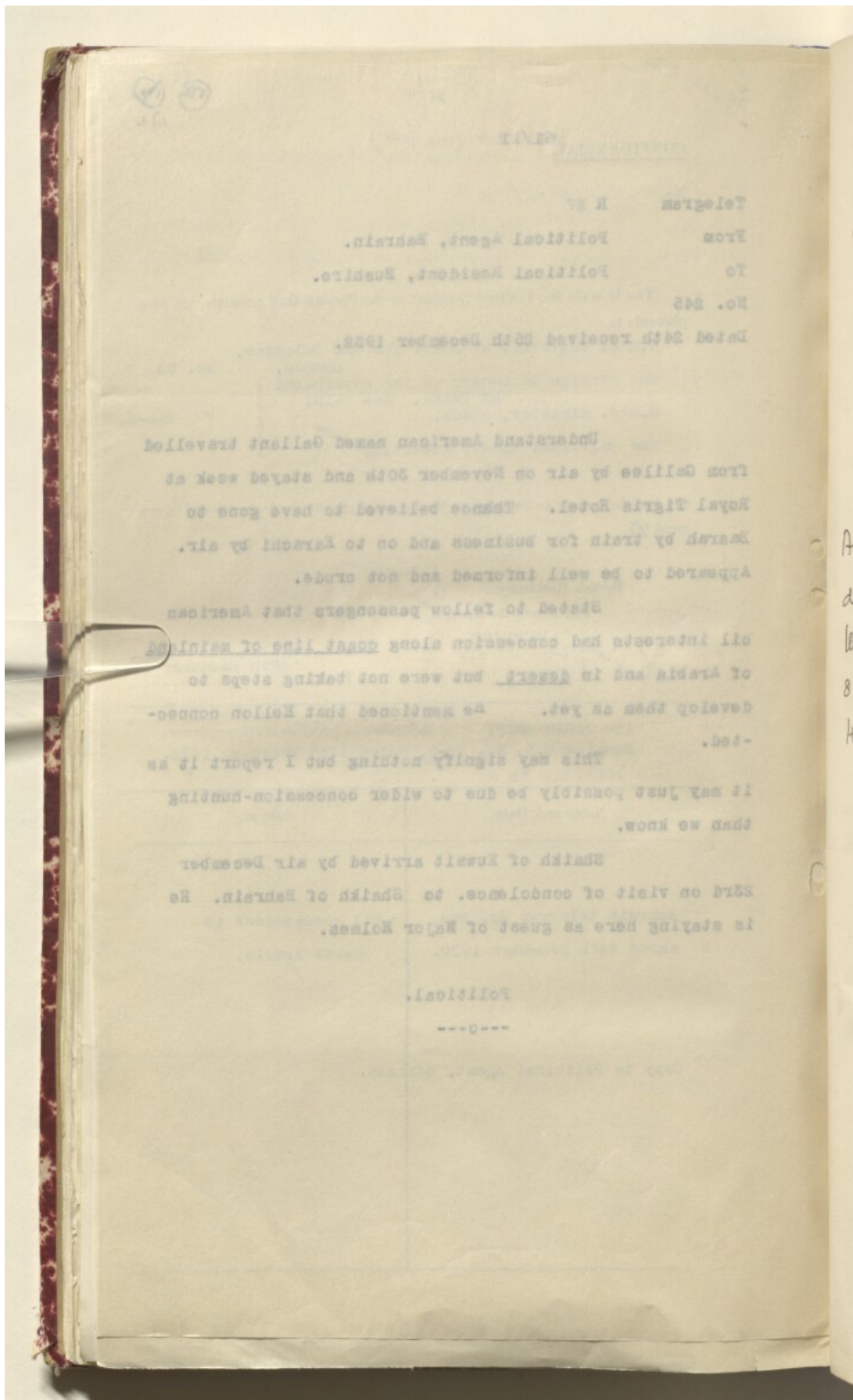
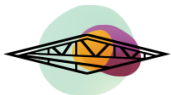
Stated to fellow passengers that American oil interests had concession along coast line of mainland of Arabia and in desert but were not taking steps to develop them as yet. He mentioned that Mellon connected.

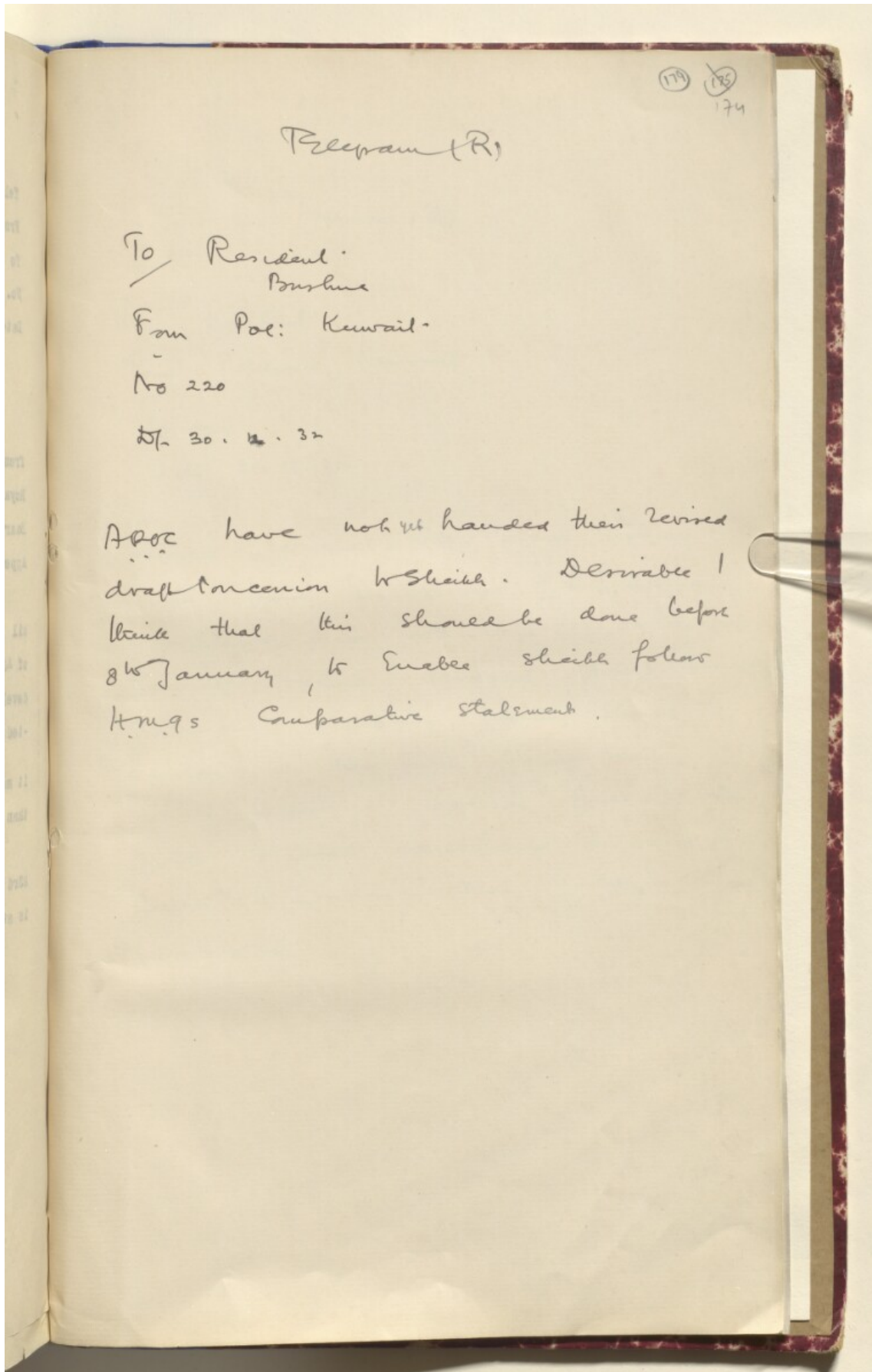
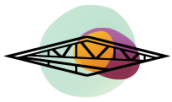
This may signify nothing but I report it as it may just possibly be due to wider concession-hunting than we know.

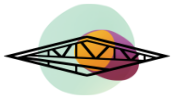
Shaikh of Kuwait arrived by air December 23rd on visit of condolence. to Shaikh of Bahrain. He is staying here as guest of Major Holmes.

Political.

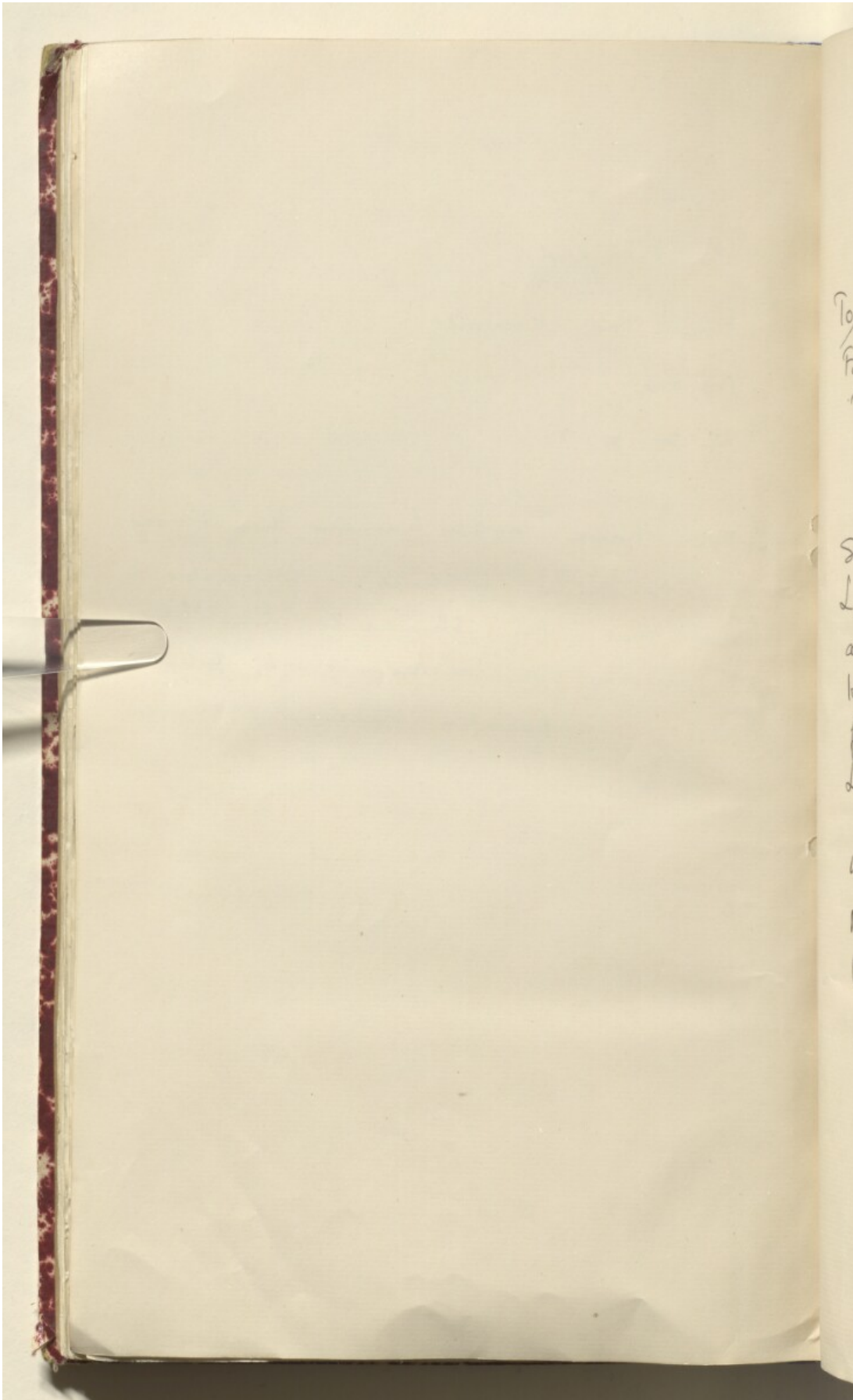
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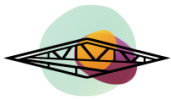






"ملف ٥ / ١ V شركة نفط الكويت" [١٧٩ظ] (٣٩٢/٣٦٣)



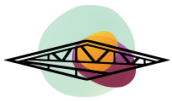


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175

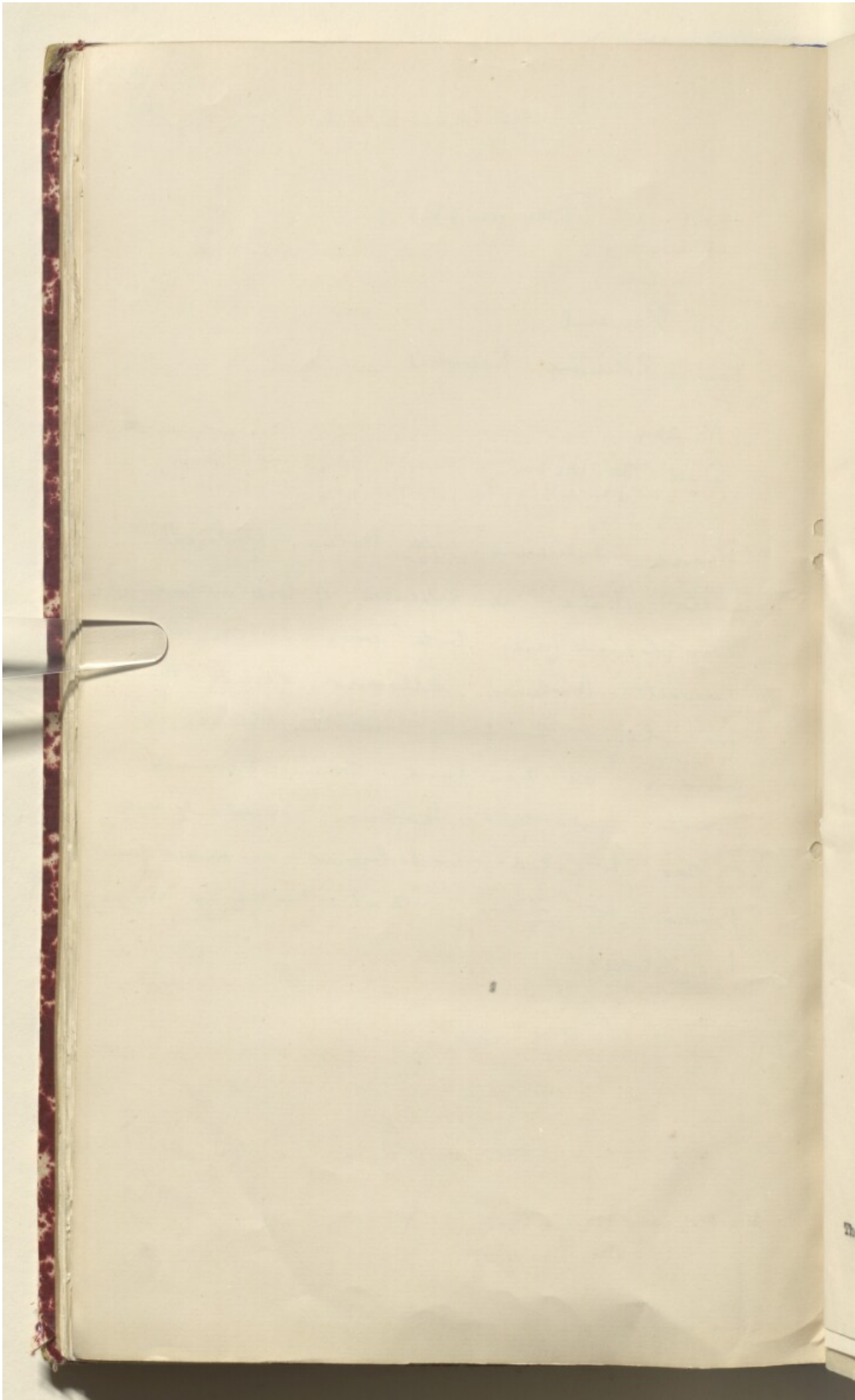
Telegram (R)

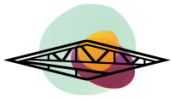
To Resident
From Police Kuwait
No 221
Date 30.12.32

Sheikh returned with Holmes yesterday.
Later paid all expenses of trip including
aeroplane fares both ways. On arrival
Kuwait Holmes delivered official message
from his Company inviting Sheikh to
London as their guest coming summer.
Late last night Holmes suddenly left
by car to catch west-bound air mail from
Bahrain to London, without notifying anyone
but Sheikh.



"ملف ٥ / ١٧ شركة نفط الكويت" [١٨٠ ظ] (٣٩٢/٣٦٥)





EXPRESS LETTER.

(161) 176

Confidential.

D.O.No.222.

Political Agency, Kuwait.

Dated the 31st December 1932.

Reference your confidential No.956 dated the 24th December 1932 with enclosures and your private and personal letter dated the 24th December.

There is little doubt in my mind that Major Holmes was made aware by his principals, the Eastern and General Syndicate, Ltd., London, that His Majesty's Government's comments on the A.P.O.C. Draft Concession and that of the Eastern and General Syndicate were on their way out to Kuwait, hence his letter of 21st December 1932 (copy forwarded to you under my confidential No.215 dated 22nd December 1932).

2. Major Holmes consequently decided to make a last bid for the Shaikh's favour by persuading him to go to Bahrain and offer his condolences to Shaikh Hamad on the death of his father the late Shaikh Sir Isa bin Ali al Khalifa.

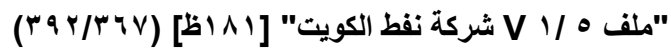
The Shaikh had already it may be recollected cancelled his intended visit to Bahrain fixed for the 15th December, but altered it again on the arrival of Major Holmes from that place. The latter on the plea that Shaikh Hamad of Bahrain was very upset at the prospect of not seeing the Shaikh of Kuwait, managed to persuade the Shaikh of Kuwait to alter his plans and visit Bahrain on 22nd December.

3. Having succeeded in his plan, Major Holmes proceeded to take charge of the Shaikh, as if he were his

The Hon'ble Lt-Col. T.C.W.Fowle, C.B.E.,

Political Resident in the Persian Gulf,

Bushire.



اعرض على مكتبة قطر الرقمية: http://www.qdl.qa/arabica/archive/81055/vdc_100048156016.0x0000a8



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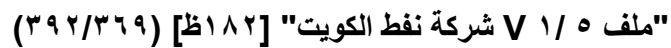
his guest pure and simple. He paid for all air tickets both ways for the Shaikh and his entourage, and met all the Shaikh's expenses during his sojourn in Bahrain. Over and above everything, he went so far as to insist on his staying in his own house in Bahrain, and arranged most of his goings and comings whilst in the island. All this the Shaikh told me on his return, saying that Major Holmes on their arrival refused to allow Shaikh Hamad to take him (the Shaikh) away to his own palace, and that Shaikh Hamad did not seem to mind at all. The plot seems to have nicely arranged between Shaikh Hamad and Major Holmes with the Shaikh as a willing victim. Certain it is that the Shaikh is profoundly grateful to Major Holmes and for all he did for him.

4. The Shaikh apparently spent a good deal of time out at the oil works in Bahrain, and was highly impressed, as it was no doubt intended he should be. He talked much of the "gushing" oil that he saw around him etc. etc.

5. Major Holmes' move was a clever piece of propaganda, and was of course his reply to the recent invitation of the A.P.O.C. to personally conduct the Shaikh round "Fields" at Masjid Sulaiman. Looking back on events I have little doubt now in my own mind that it was Major Holmes who largely put into the Shaikh's mind that to land in Persia was unsafe, and then having disposed of the A.P.O.C., planned the Bahrain expedition just to show what he could do.

6. As I have already informed you, on his return to Kuwait, Major Holmes had an official invitation awaiting the Shaikh from the Eastern and General Syndicate asking him to be their guest in London during the coming summer. This was duly presented to the Shaikh, and looked very well.

7. Major Holmes' sudden midnight departure for Basrah and London on 29th December 1932 I have not been able to fathom yet. He was discourteous enough not to inform me, even by a short note, of his intended departure. He just disappeared.



اعرض على مكتبة قطر الرقمية: http://www.qdl.qa/العربية/archive/81055/vdc_100048156016.0x0000aa



-3-

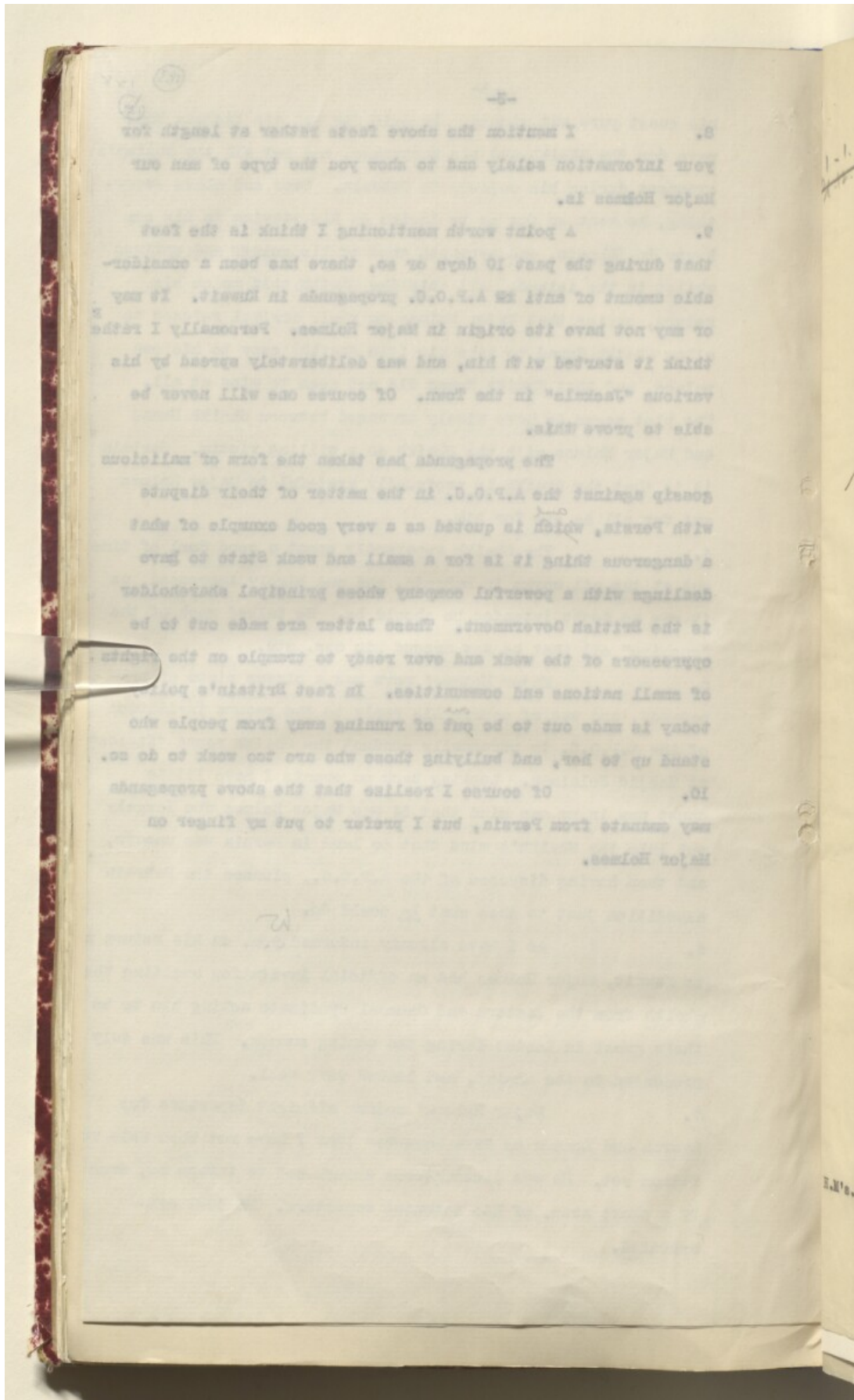
8. I mention the above facts rather at length for your information solely and to show you the type of man our Major Holmes is.

9. A point worth mentioning I think is the fact that during the past 10 days or so, there has been a considerable amount of anti ~~the~~ A.P.O.C. propaganda in Kuwait. It may or may not have its origin in Major Holmes. Personally I rather think it started with him, and was deliberately spread by his various "Jackals" in the Town. Of course one will never be able to prove this.

The propaganda has taken the form of malicious gossip against the A.P.O.C. in the matter of their dispute with Persia, ^{and} which is quoted as a very good example of what a dangerous thing it is for a small and weak State to have dealings with a powerful company whose principal shareholder is the British Government. These latter are made out to be oppressors of the weak and ever ready to trample on the rights of small nations and communities. In fact Britain's policy today is made out to be ^{one} out of running away from people who stand up to her, and bullying those who are too weak to do so.

10. Of course I realize that the above propaganda may emanate from Persia, but I prefer to put my finger on Major Holmes.

W





CONFIDENTIAL.

No. 52 of 1932.

British Residency and Consulate-General,
Bushire, 27th December 1932.

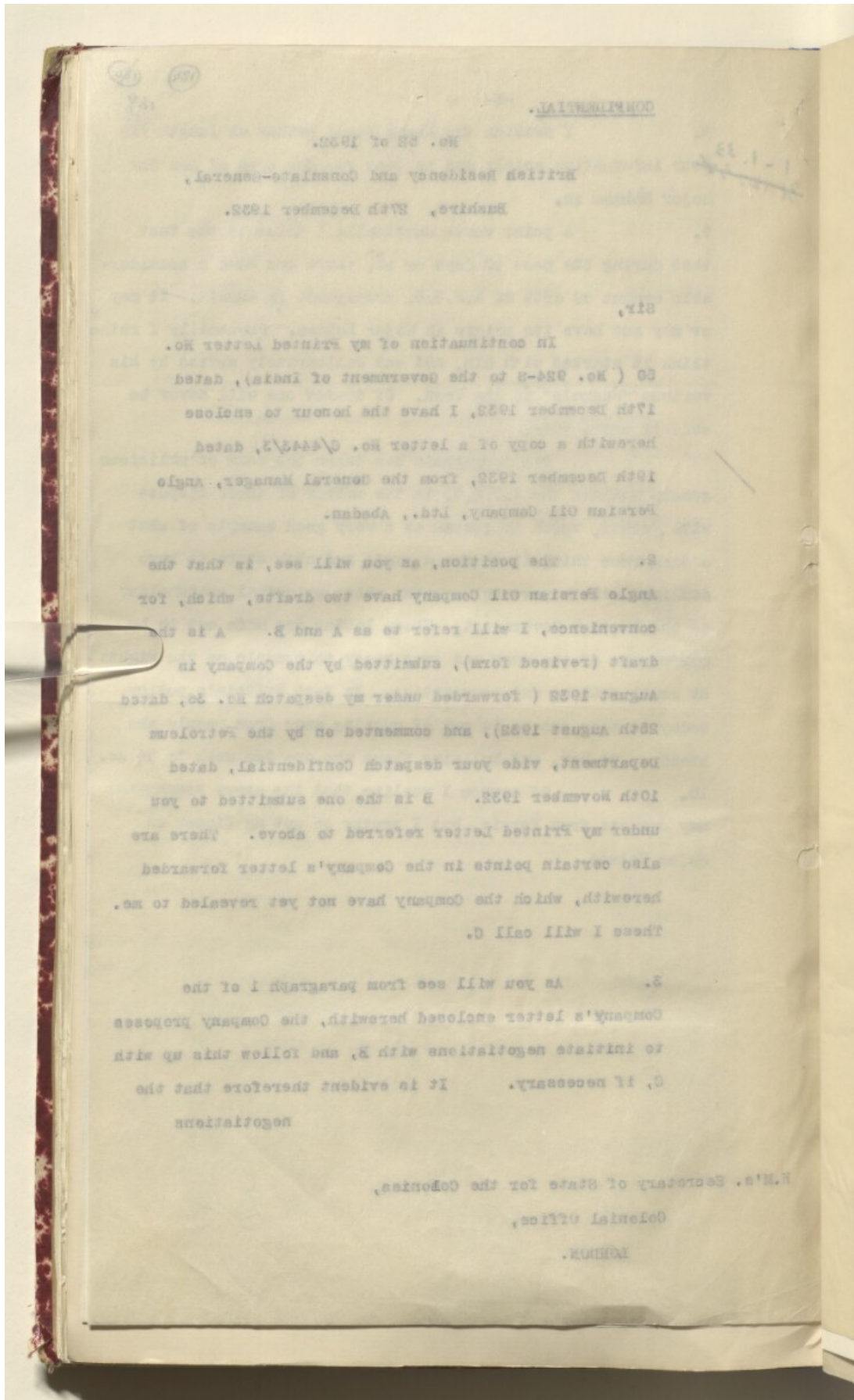
Sir,

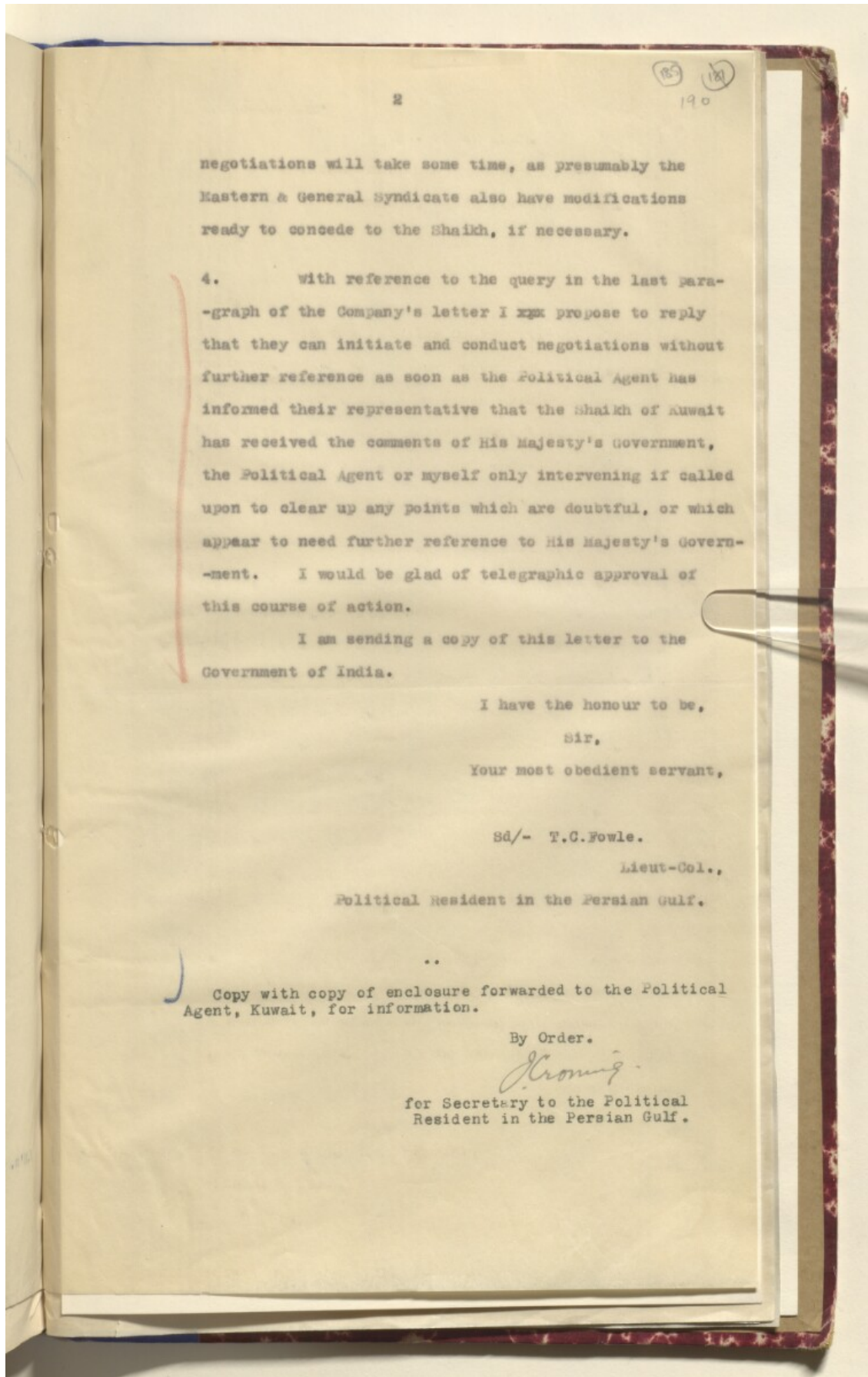
In continuation of my Printed Letter No. 50 (No. 924-S to the Government of India), dated 17th December 1932, I have the honour to enclose herewith a copy of a letter No. C/4443/3, dated 19th December 1932, from the General Manager, Anglo Persian Oil Company, Ltd., Abadan.

2. The position, as you will see, is that the Anglo Persian Oil Company have two drafts, which, for convenience, I will refer to as A and B. A is the draft (revised form), submitted by the Company in August 1932 (forwarded under my despatch No. 36, dated 25th August 1932), and commented on by the Petroleum Department, vide your despatch Confidential, dated 10th November 1932. B is the one submitted to you under my Printed Letter referred to above. There are also certain points in the Company's letter forwarded herewith, which the Company have not yet revealed to me. These I will call C.

3. As you will see from paragraph 1 of the Company's letter enclosed herewith, the Company proposes to initiate negotiations with B, and follow this up with C, if necessary. It is evident therefore that the negotiations

H.M.'s. Secretary of State for the Colonies,
Colonial Office,
LONDON.





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185 187
190

negotiations will take some time, as presumably the Eastern & General Syndicate also have modifications ready to concede to the Shaikh, if necessary.

4. with reference to the query in the last paragraph of the Company's letter I ~~xxx~~ propose to reply that they can initiate and conduct negotiations without further reference as soon as the Political Agent has informed their representative that the Shaikh of Kuwait has received the comments of His Majesty's Government, the Political Agent or myself only intervening if called upon to clear up any points which are doubtful, or which appear to need further reference to His Majesty's Government. I would be glad of telegraphic approval of this course of action.

I am sending a copy of this letter to the Government of India.

I have the honour to be,

Sir,

Your most obedient servant,

Sd/- T.C. Fowle.

Lieut-Col.,

Political Resident in the Persian Gulf.

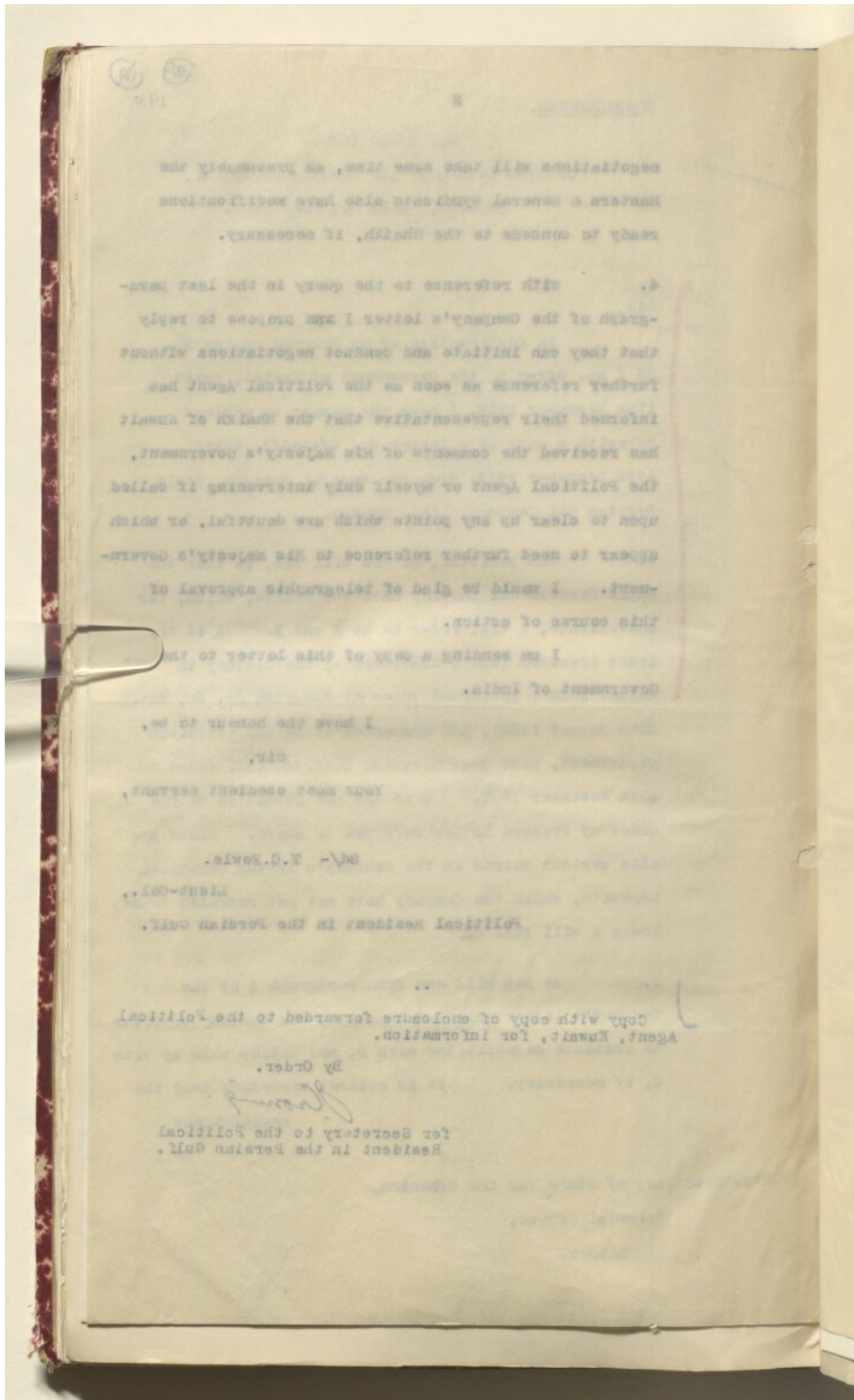
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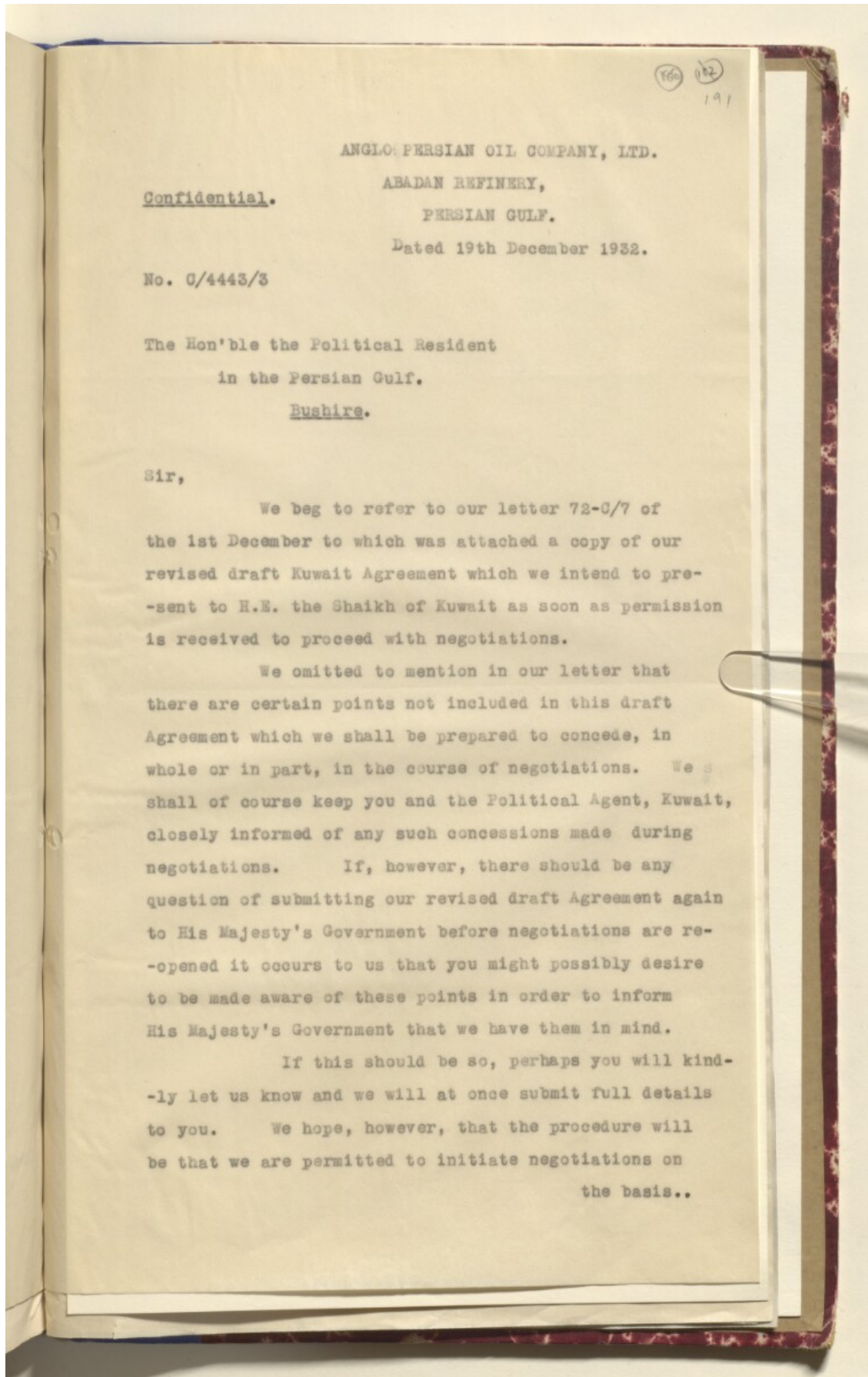
Copy with copy of enclosure forwarded to the Political Agent, Kuwait, for information.

By Order.

J. Cronin

for Secretary to the Political Resident in the Persian Gulf.





ANGLO-PERSIAN OIL COMPANY, LTD.

ABADAN REFINERY,
PERSIAN GULF.

Dated 19th December 1932.

Confidential.

No. C/4443/3

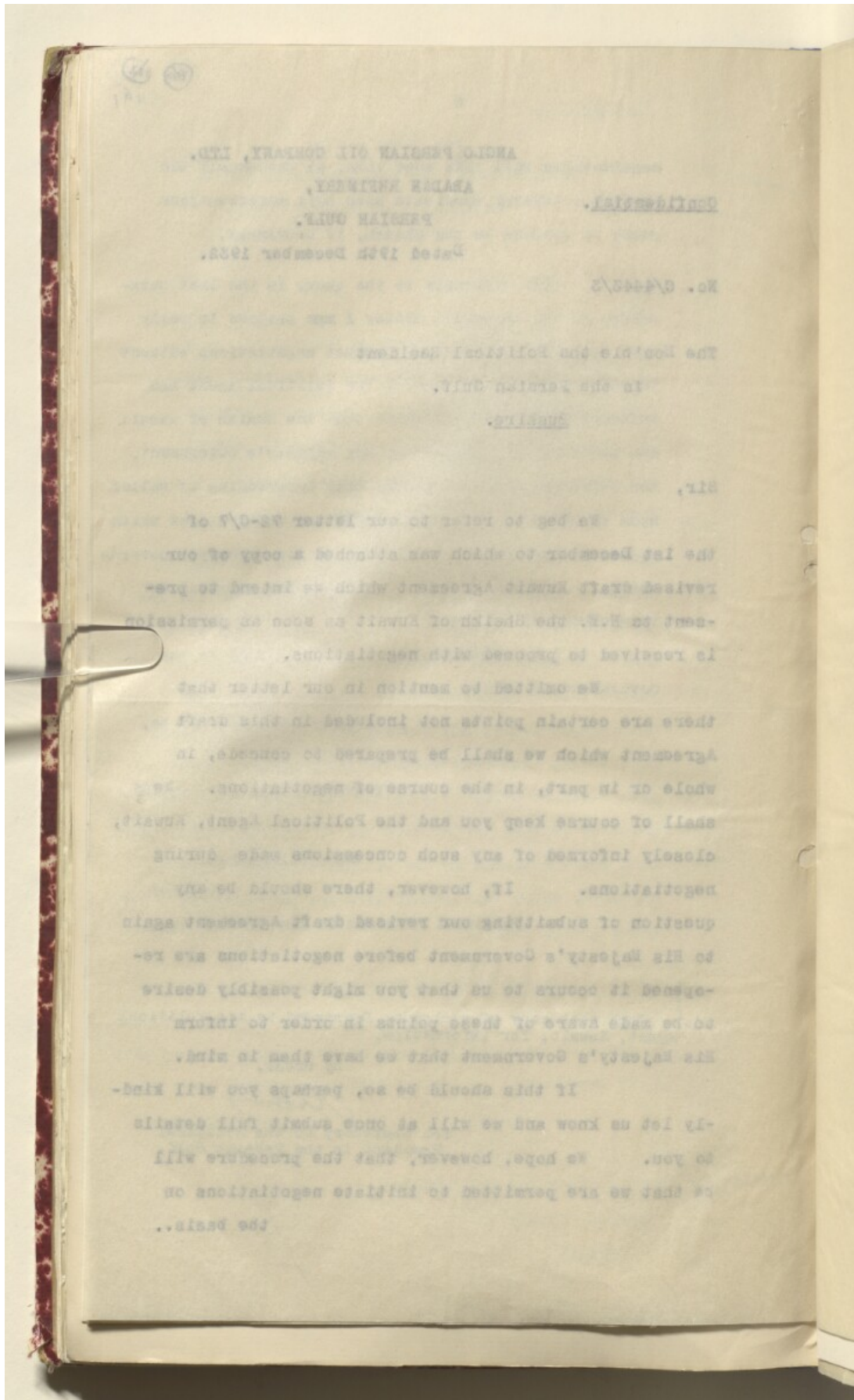
The Hon'ble the Political Resident
in the Persian Gulf.
Bushire.

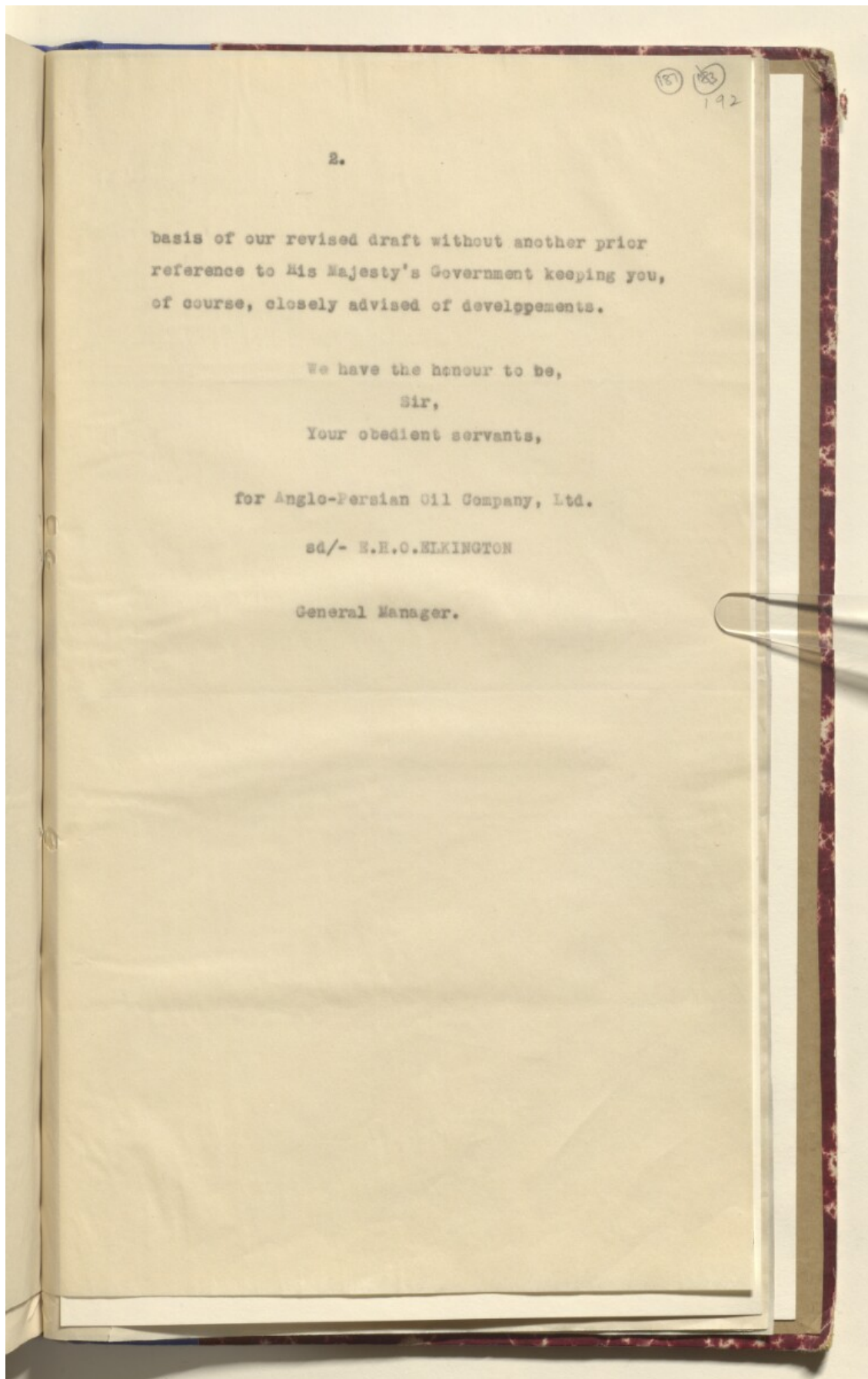
Sir,

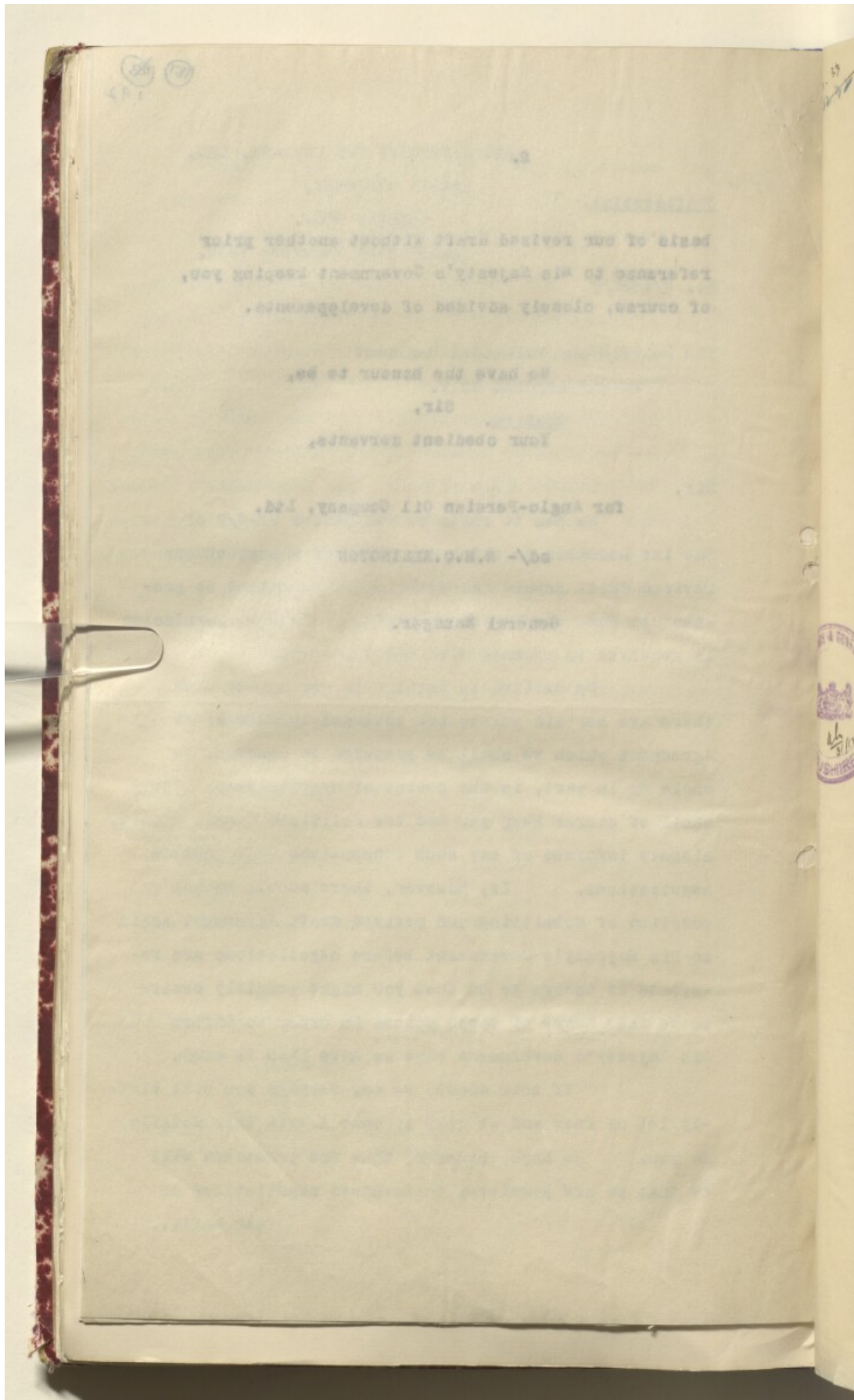
We beg to refer to our letter 72-C/7 of the 1st December to which was attached a copy of our revised draft Kuwait Agreement which we intend to pre-sent to H.E. the Shaikh of Kuwait as soon as permission is received to proceed with negotiations.

We omitted to mention in our letter that there are certain points not included in this draft Agreement which we shall be prepared to concede, in whole or in part, in the course of negotiations. We shall of course keep you and the Political Agent, Kuwait, closely informed of any such concessions made during negotiations. If, however, there should be any question of submitting our revised draft Agreement again to His Majesty's Government before negotiations are re-opened it occurs to us that you might possibly desire to be made aware of these points in order to inform His Majesty's Government that we have them in mind.

If this should be so, perhaps you will kindly let us know and we will at once submit full details to you. We hope, however, that the procedure will be that we are permitted to initiate negotiations on the basis..









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oil XX 7.2
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CONFIDENTIAL.

No.

The Hon'ble the Political Resident in the Persian Gulf presents his compliments to

His Majesty's Secretary of State for the Colonies,
London. No. 54.

The Foreign Secretary to the Government of India
in the Foreign and Political Department,
New Delhi. No. 982-S.

and has the honour to transmit to him a copy of the undermentioned document (s).

British Residency
and Consulate-General,
BUSHIRE.

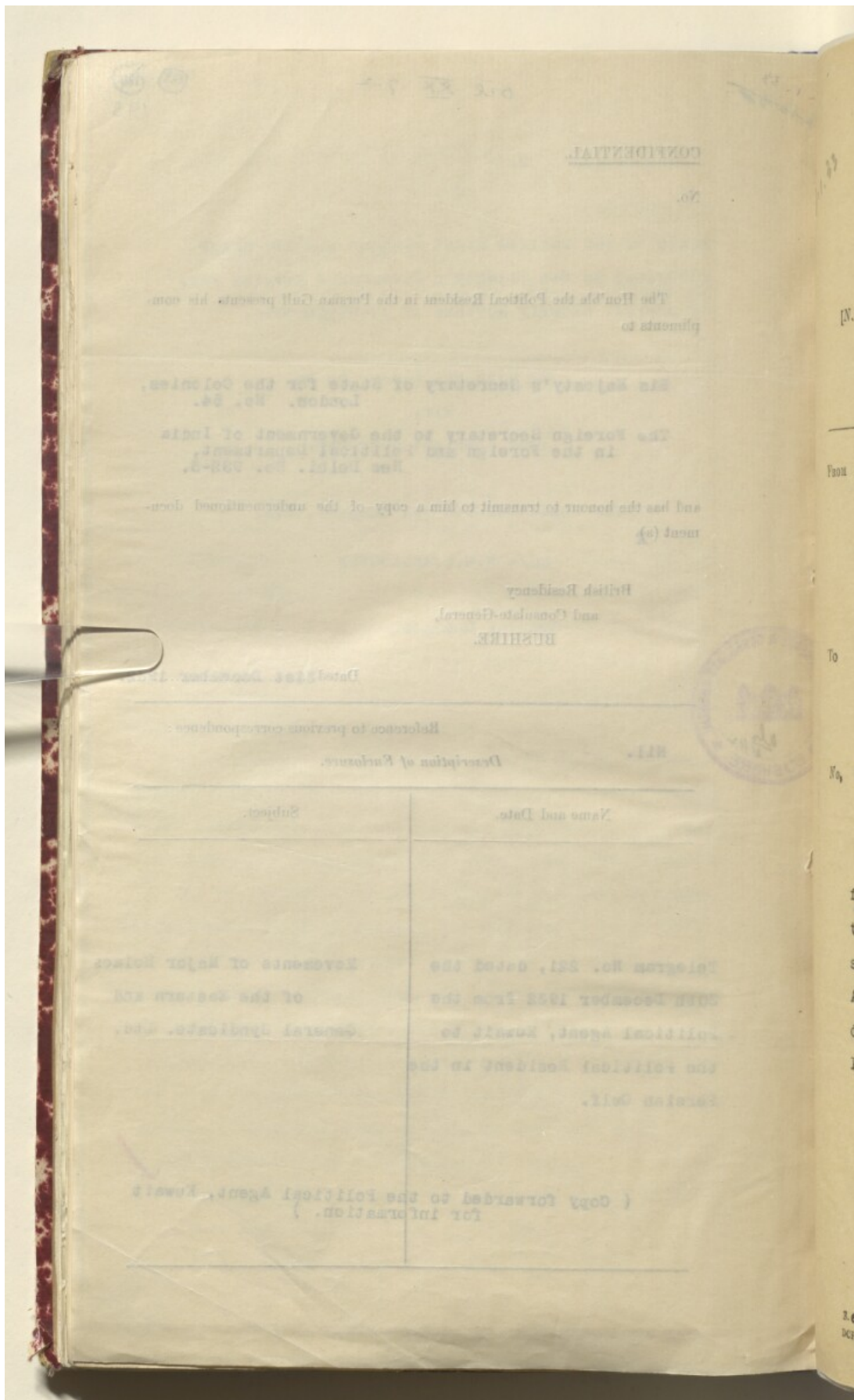
Dated 31st. December. 1932.

Reference to previous correspondence :
Nil.

Description of Enclosure.

Name and Date.	Subject.
Telegram No. 221, dated the 30th December 1932 from the Political Agent, Kuwait to the Political Resident in the Persian Gulf.	Movements of Major Holmes of the Eastern and General Syndicate. Ltd.

(Copy forwarded to the Political Agent, Kuwait for information.)





185
194 189

7.1.33

XXXXXXXXXXXXXXXXXXXX

Residency, Persian XXXXXXXXX
Gulf.

EXPRESS LETTER

[N. B.—This is an ORIGINAL MESSAGE, sent by post to save telegraphic expense and undue use of the wires, but intended to be treated, on receipt, with the same expedition as if it had been telegraphed. To save time and formalities it is worded and signed as if it had been so despatched.]

FROM

Resident,
Bushire.

To

Political,
Kuwait.

No, 981-S Dated 31st December ~~1931~~ 1932

Your telegram No. 220.

Comparative statement covers first draft, revised form, submitted by Anglo-Persian Oil Company in August, copy to you under my Printed Letter No. 616-S, dated 26th August, see initial note to Petroleum Department's memorandum. Anglo-Persian Oil Company propose to present their revised draft only when negotiations commence, vide enclosure to my Printed Letter No. 924-S, dated 17th December.

SD/- T. C. Fowle.

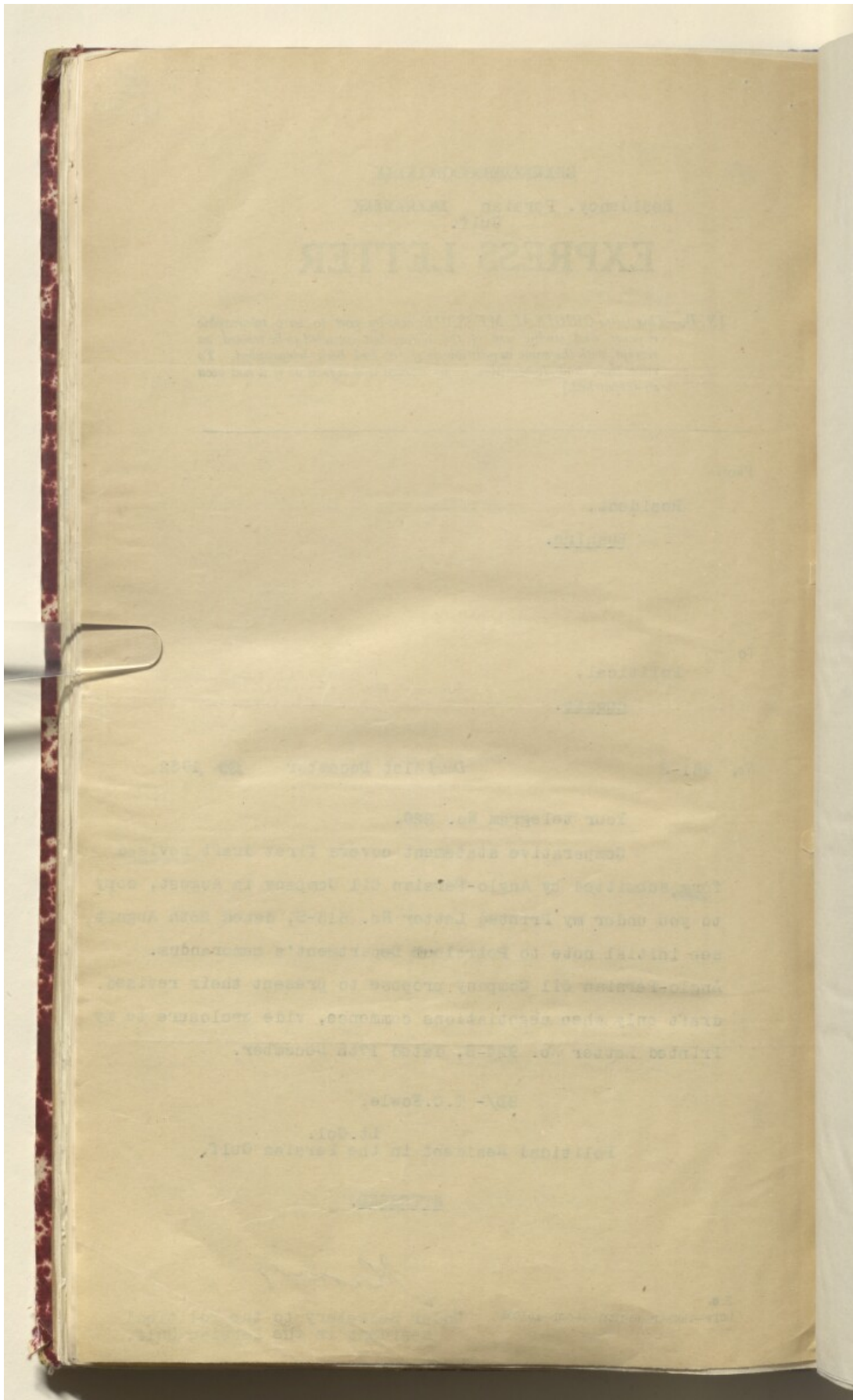
Lt. Col.
Political Resident in the Persian Gulf.

ATTESTED.

J. Cronin

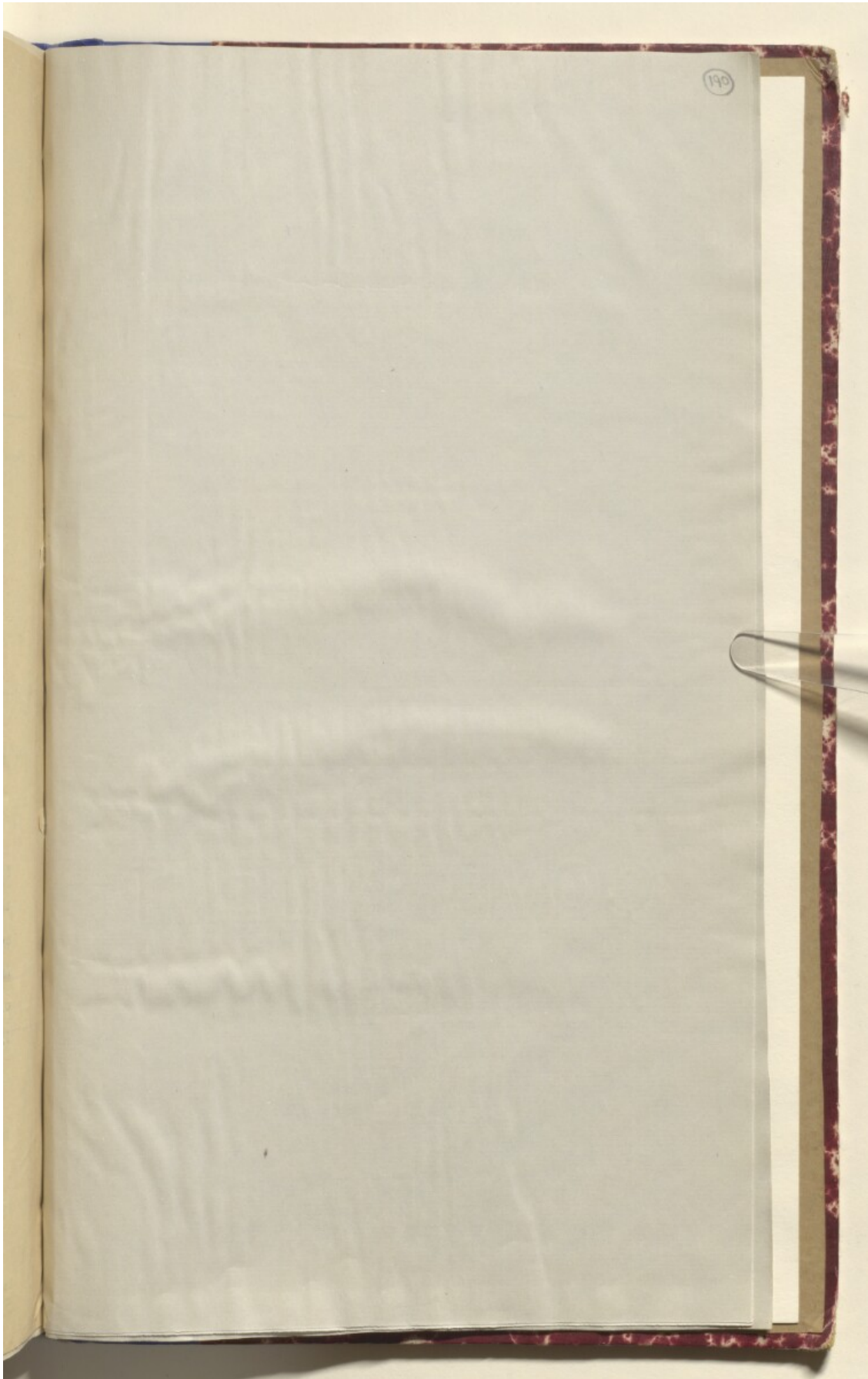
3. 6.
DCFP—11078AP—(G-1254)—24-8-31—4,000,000.

Under Secretary to the Political
Resident in the Persian Gulf.



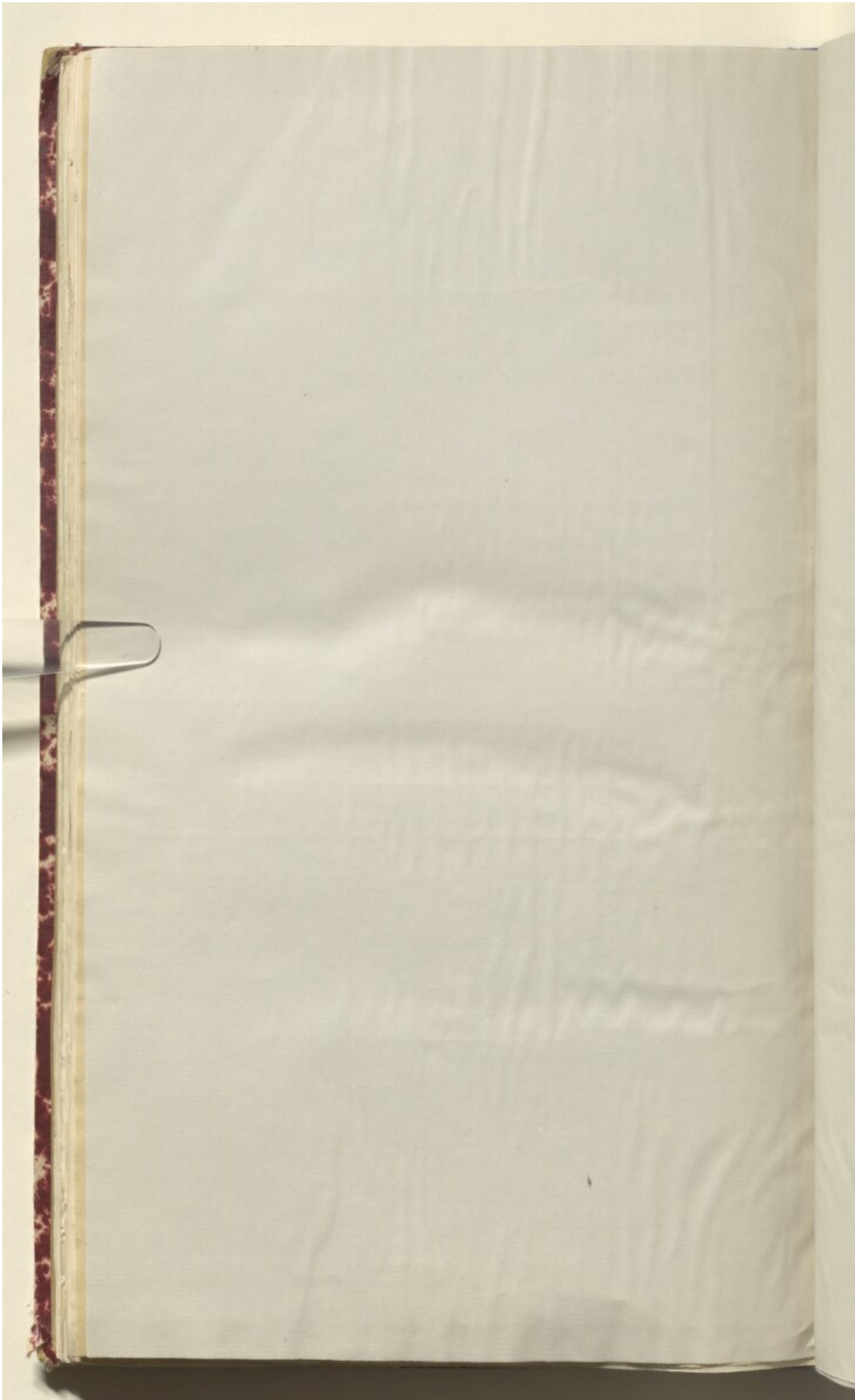


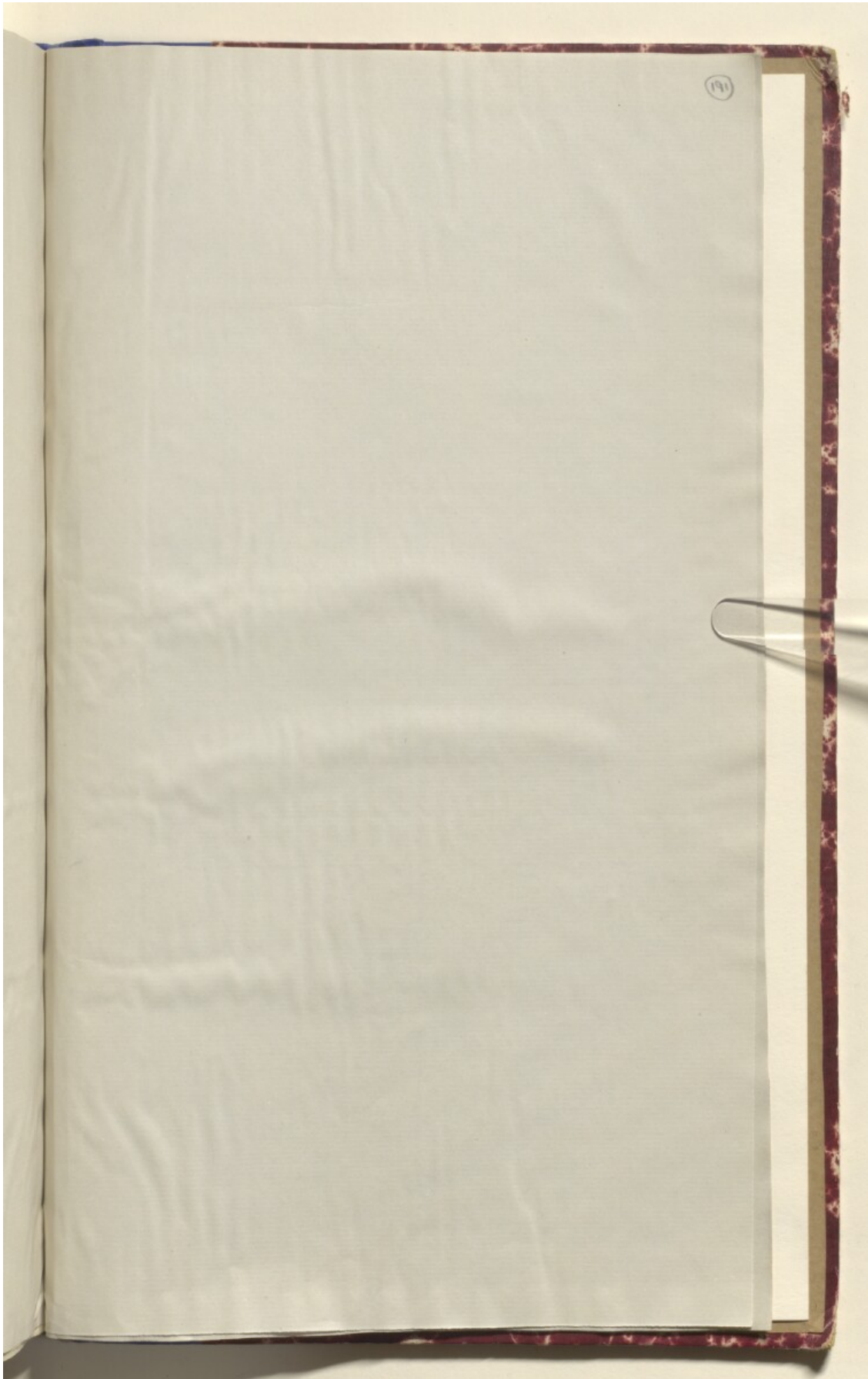
"ملف ٥ / ١ V شركة نفط الكويت" [١٩٠] (٣٩٢/٣٨٤)





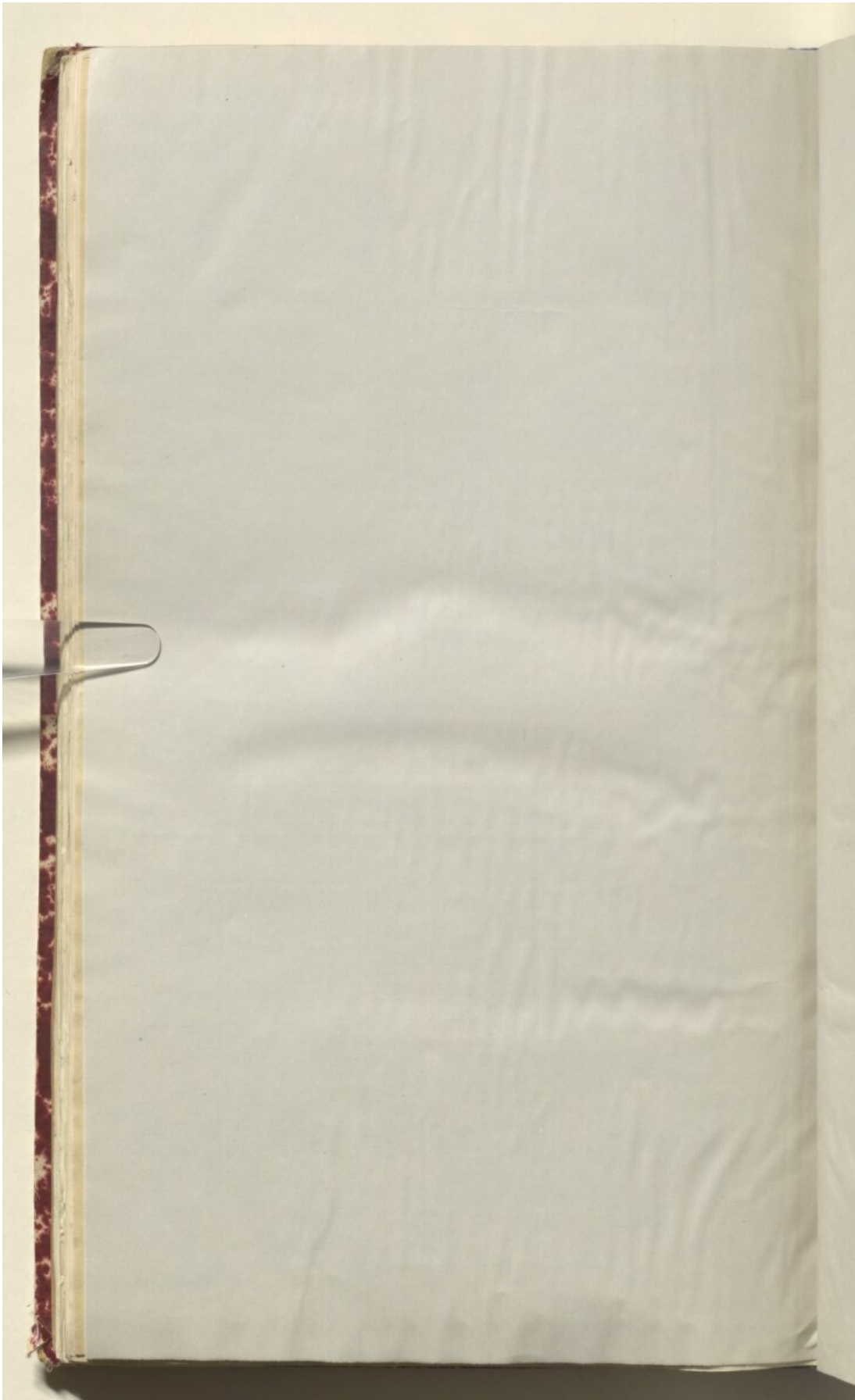
"ملف ٥ / ١ V شركة نفط الكويت" [١٩٠ ظ] (٣٩٢/٣٨٥)





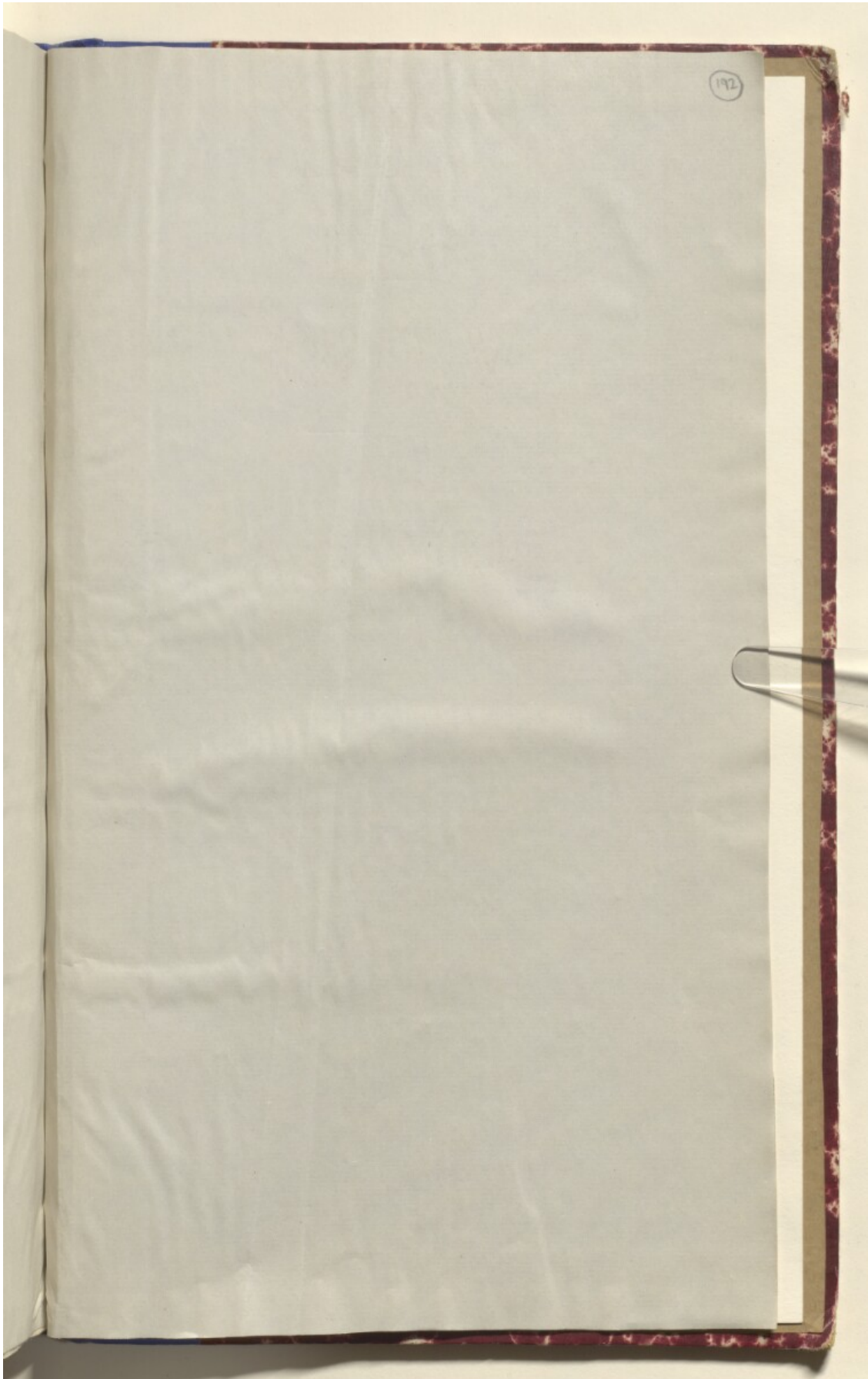


"ملف ٥ / ١٧ شركة نفط الكويت" [١٩١١ ظ] (٣٨٧/٣٩٢)



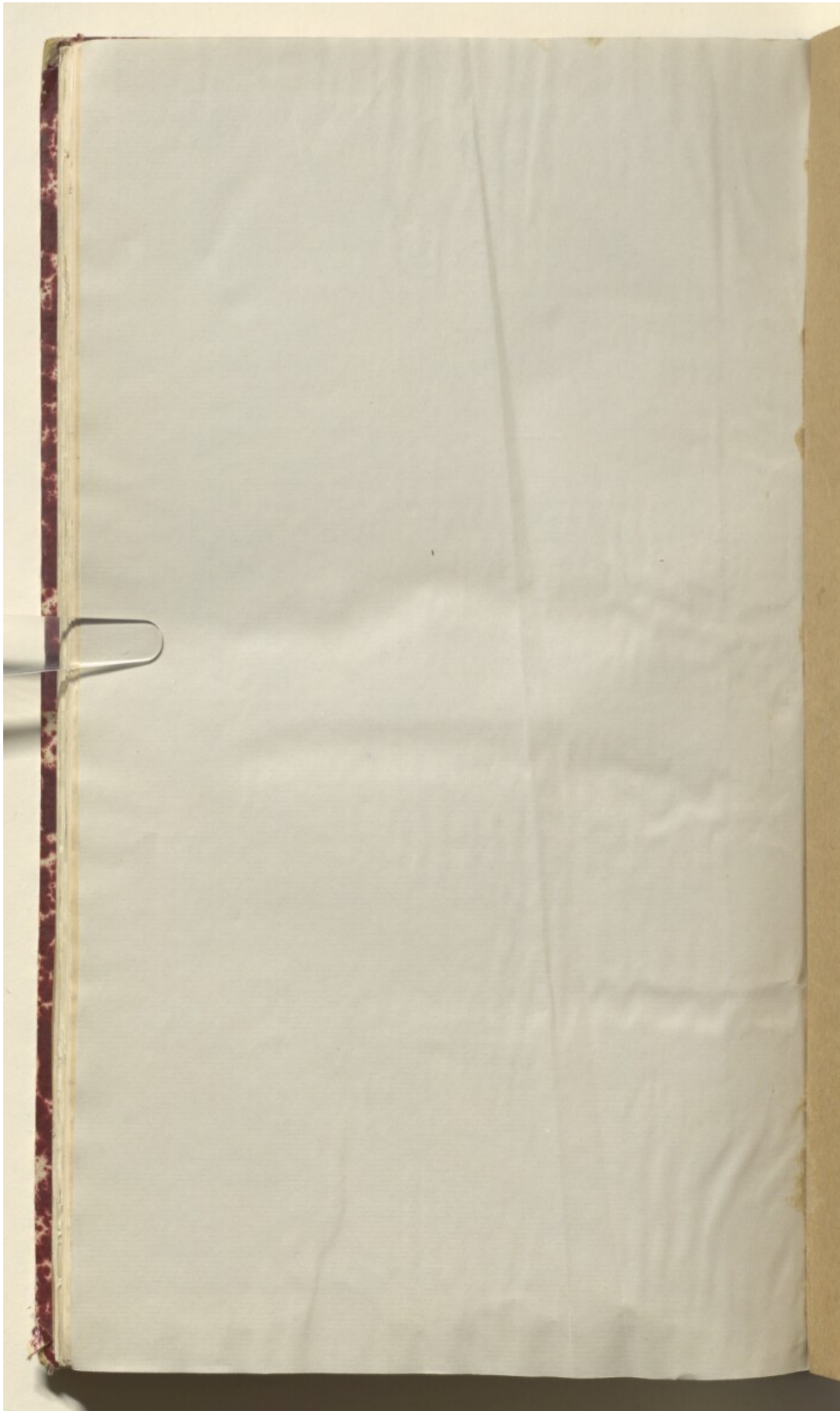


"ملف ٥ / ١ V شركة نفط الكويت" [١٩٢] (٣٩٢/٣٨٨)



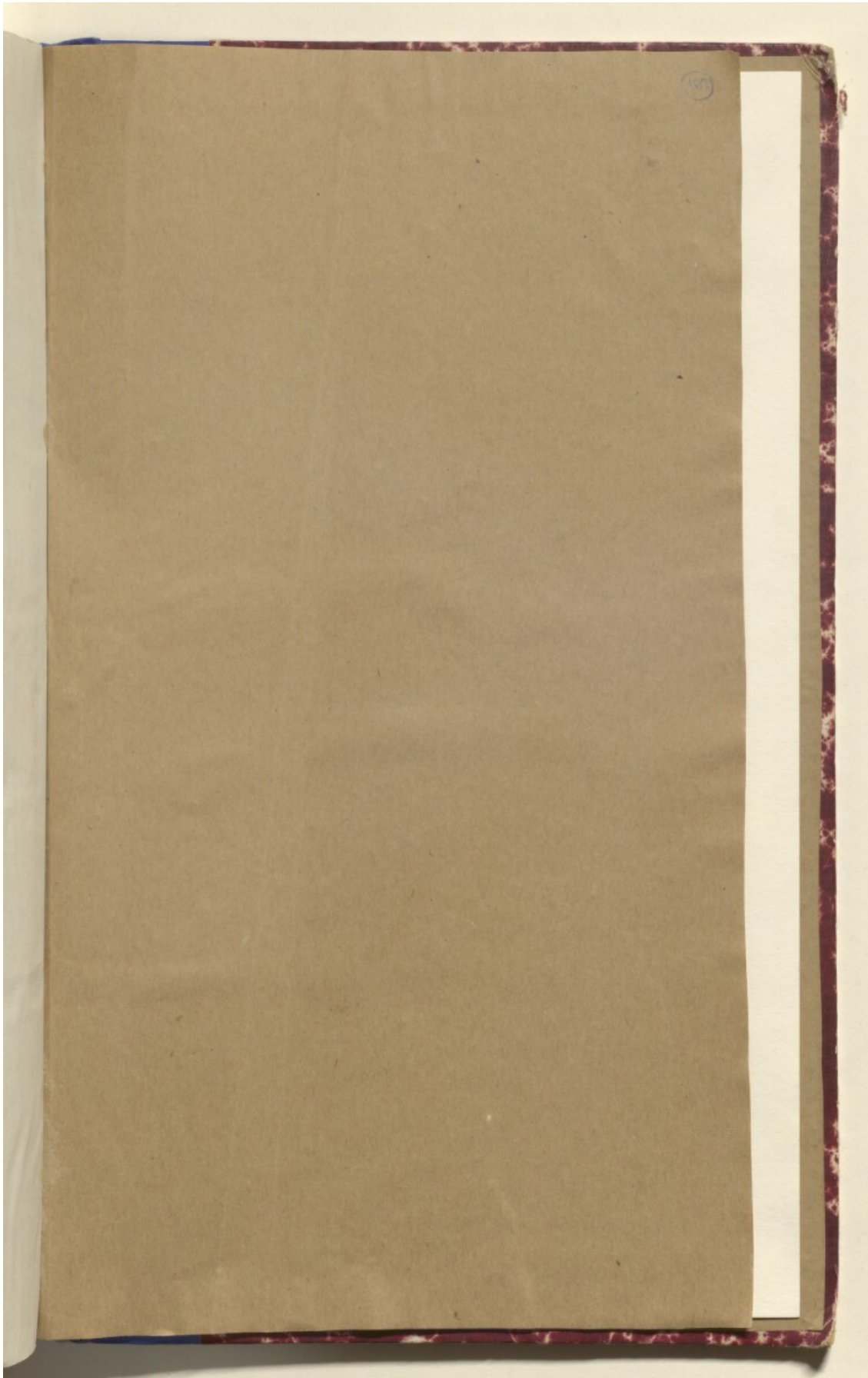


"ملف ٥ / ١٧ شركة نفط الكويت" [١٩٢٦ظ] (٣٨٩/٣٩٢)



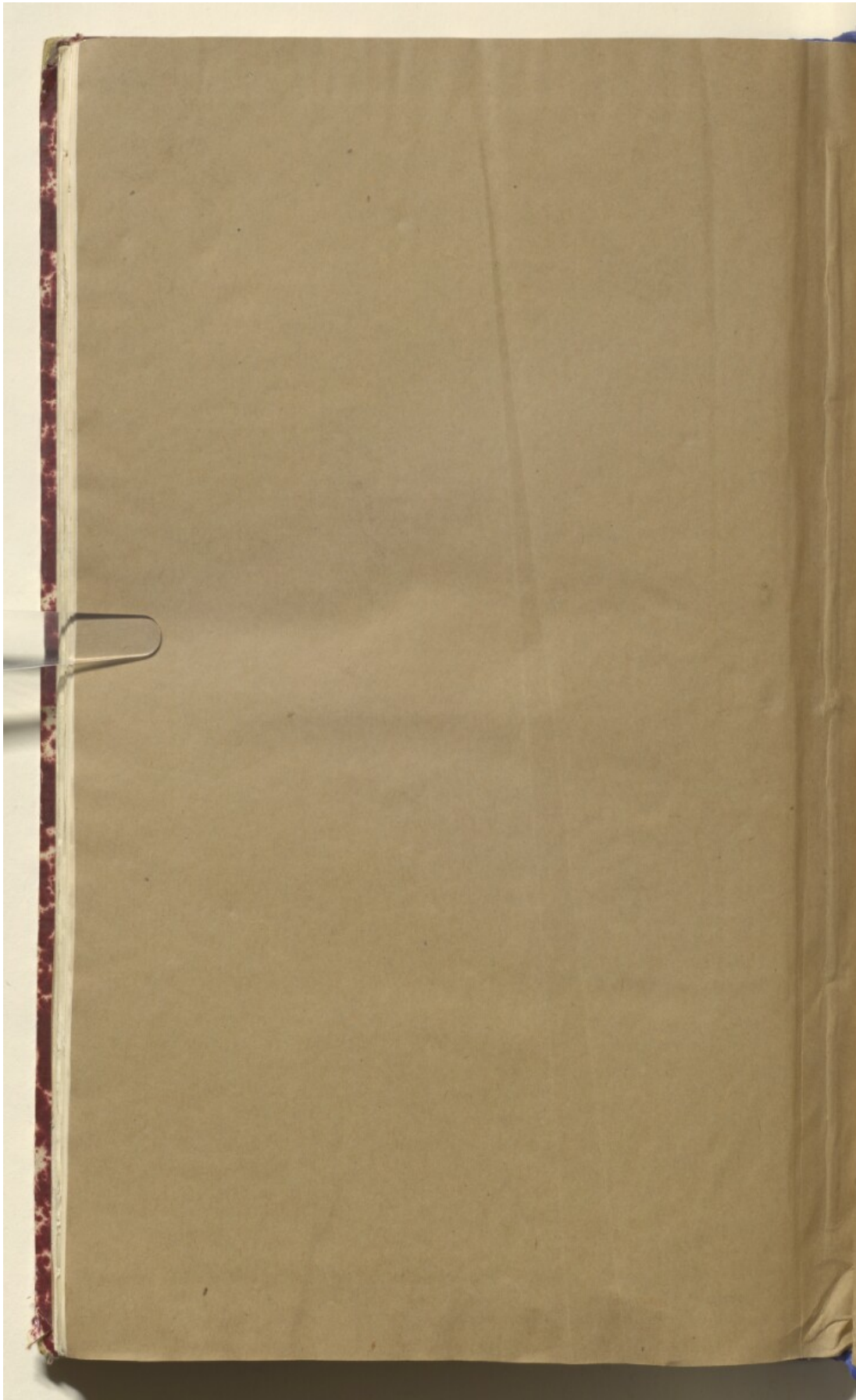


"ملف ٥ / ١ V شركة نفط الكويت" [١٩٣] (٣٩٠/٣٩٢)





"ملف ٥ / ١ V شركة نفط الكويت" [١٩٣ ظ] (٣٩٢/٣٩١)





"ملف ١/ ٥ V شركة نفط الكويت" [خلفي-داخلي] (٣٩٢/٣٩٢)

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